

1948, contrasted with 69 percent in 1929 and 76 percent in 1939.

(6) "Some basic industries are not increasing their capacities sufficiently to attain the production levels required for the steady growth of a maximum employment economy." Instead, they are gearing their capacities to the assumption that in the future as in the past there will be a sharp drop in the business cycle. This assumption of recession or depression, in turn, increases the likelihood of the very evil against which reserves are being amassed. * * * The road to more production in the main is not higher

prices and profits later on, but, instead, a rounded policy which adjusts prices and profits and capacities to a long period of stability and growth."

The easiest time to correct these maladjustments is before a crisis appears, that is now. The hardest time will be later on when neglect has actually produced the crisis. Those who are intelligent and conservative have long realized that a "stitch in time saves nine," but, unfortunately, sometimes the shiftless counsel of drift and do nothing is allowed to bring on damage that is irreparable.

Labor force, 1946-49

(Thousands of persons, 14 years of age and over)

Month	Total labor force, including armed forces ¹	Civilian employment			Armed forces ¹	Unemployment
		Total	Nonagricultural	Agricultural		
1946—January	59,490	51,020	44,300	6,720	6,170	2,300
February	59,130	51,240	44,300	6,940	5,240	2,650
March	59,620	52,460	44,530	7,930	4,470	2,700
April	60,300	54,120	45,950	8,170	3,850	2,330
May	60,570	54,850	45,970	8,880	3,410	2,310
June	62,000	56,360	46,350	10,010	3,070	2,570
July	62,820	57,840	47,870	9,970	2,710	2,270
August	62,200	57,690	48,550	9,140	2,450	2,060
September	61,340	57,050	48,300	8,750	2,220	2,070
October	61,160	57,030	48,410	8,620	2,170	1,960
November	60,980	57,040	49,140	7,900	2,010	1,930
December	60,320	56,310	49,100	7,210	1,890	2,120
1947—January	59,510	55,390	48,890	6,500	1,720	2,400
February	59,630	55,520	48,600	6,920	1,620	2,490
March	59,960	56,060	48,820	7,240	1,570	2,330
April	60,650	56,700	48,840	7,860	1,530	2,420
May	61,760	58,330	49,370	8,960	1,470	1,960
June	64,007	60,055	49,678	10,377	1,398	2,555
July	64,035	60,079	50,013	10,066	1,371	2,584
August	63,017	59,569	50,594	8,975	1,352	2,096
September	62,130	58,872	50,145	8,727	1,346	1,912
October	62,219	59,204	50,583	8,622	1,327	1,687
November	61,510	58,595	50,609	7,985	1,294	1,621
December	60,870	57,947	50,985	6,962	1,280	1,643
1948—January	60,455	57,149	50,089	7,060	1,241	2,065
February	61,004	57,139	50,368	6,771	1,226	2,639
March	61,005	57,329	50,482	6,847	1,236	2,440
April	61,700	58,330	50,883	7,448	1,236	2,193
May	61,600	58,660	50,800	7,861	1,238	1,761
June	64,740	61,296	51,899	9,396	1,261	2,184
July	65,135	61,615	52,452	9,163	1,293	2,227
August	64,511	61,245	52,801	8,444	1,325	1,941
September	63,578	60,312	51,590	8,723	1,366	1,899
October	63,166	60,134	51,506	8,627	1,391	1,642
November	63,138	59,893	51,932	7,961	1,414	1,831
December	62,828	59,434	52,059	7,375	1,433	1,941
1949—January	61,546	57,414	50,651	6,763	1,468	2,664

¹ Excludes about 150,000 members of the armed forces.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

Consumers' prices, 1939-48, for moderate-income families in large cities

Period	All items ¹	Food	Apparel	Rent
1935-39=100				
Monthly average:				
1939	99.4	95.2	100.5	104.3
1940	100.2	96.6	101.7	104.6
1941	105.2	105.5	105.3	105.2
1942	116.5	123.9	124.2	108.5
1943	123.6	138.0	129.7	108.0
1944	125.5	135.1	138.8	108.2
1945	128.4	139.1	145.9	108.3
1946	139.3	159.6	160.2	108.6
1947	159.2	193.8	185.8	111.2
1948	171.2	210.2	198.0	117.4
1939—June	98.6	93.6	100.3	104.3
1946—June	133.3	145.5	157.2	108.5
1947—June	157.1	190.5	185.7	109.2
1948—January	168.8	209.7	192.1	115.0
February	167.5	204.7	195.1	116.0
March	166.9	202.3	196.3	116.3
April	169.3	207.9	196.4	116.3
May	170.5	210.9	197.5	116.7
June	171.7	214.1	196.9	117.0
July	173.7	216.8	197.1	117.3
August	174.5	216.6	199.7	117.7
September	174.5	215.2	201.0	118.5
October	173.6	211.5	201.6	118.7
November	172.2	207.5	201.4	118.8
December	171.4	205.0	200.4	119.5
Percentage increases				
Since June 1939 ²	74	119	100	15
Since June 1946 ²	29	41	27	10
Since June 1947 ²	9	8	8	9

¹ Also includes housefurnishings, fuel, electricity, and refrigeration, and miscellaneous goods and services.

² To December 1948, latest data available.

Source: Department of Labor.

TENNESSEE VALLEY AUTHORITY

The legislative clerk read the nomination of Harry Alfred Curtis to be a member of the Board of Directors of the Tennessee Valley Authority.

The VICE PRESIDENT. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified of the confirmation of this nomination.

LEGISLATIVE PROGRAM—ADJOURNMENT TO THURSDAY

The Senate resumed the consideration of legislative business.

Mr. LUCAS. Mr. President, I should like to make an announcement for the benefit of Members of the Senate. When the Senate concludes its business today, it is planned to adjourn until Thursday next. I see no reason why we should be here for any considerable length of time on Thursday. At the conclusion of business on Thursday, it is planned that the Senate shall adjourn until Monday.

I now move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until Thursday, February 10, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 8, 1949:

EXPORT-IMPORT BANK OF WASHINGTON

Hawthorne Arey, of Nebraska, to be a director of the Export-Import Bank of Washington to fill an existing vacancy.

CONFIRMATION

Executive nomination confirmed by the Senate February 8, 1949:

TENNESSEE VALLEY AUTHORITY

Harry Alfred Curtis to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring 9 years after May 18, 1948.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Hawthorne Arey, of Nebraska, to be a director of the Export-Import Bank of Washington to fill an existing vacancy, which was referred to the Committee on Banking and Currency.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. McGRATH, from the Committee on the District of Columbia:

Aubrey B. Fennell, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 8, 1949

The House met at 12 o'clock noon.

Rev. Dale Crowley, Washington, D. C., offered the following prayer:

Our Heavenly Father, God of all mercy and grace:

With grateful hearts, we acknowledge that Thou hast wonderfully blessed our Nation. We ask that Thou wilt give to all Thy servants a sense of true thanksgiving, and with this an awareness of our stewardship before Thee. Grant that every man in this Chamber today, and every day, may think not merely of his responsibility to his constituents, but especially of his high trusteeship under God. Like Daniel Webster, exemplary statesman that he was, may our foremost thought be our accountability to God.

Give wisdom, so that we may be able to discern between the right and the wrong. Give courage, that we may ever stand for that which is true. Give humility, that we may walk before Thee

acceptably; and give devotion, that we may serve Thee faithfully. We ask it in the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

RENT CONTROL

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, I am today introducing a bill on the controversial subject of rent control.

It is a bill that preserves the basic fundamentals of free enterprise. At the same time it prevents tenants from being gouged by the small percentage of landlords who might with justification be termed "unscrupulous and selfish." The bill provides for decontrol, but at the same time it permits any tenant who is about to be gouged the right of appeal to a local board composed of citizens in his own county. I recommend that the Members of this body study this particular measure. It will allow free collective bargaining between individual tenants and landlords with the local board acting as the final arbiter if the landlord refuses to be fair and just. We must remember that rent is merely the wage of the people who have been thrifty enough over the years to save sufficient funds to own an equity in real property. Under the present rent-control law and under the administration's proposed bill, the Government sets the rent and there is no attempt made to allow a gradual relaxation of rent control. Instead controls are to be extended for 27 months and the regulations are to be more stringent. My bill will act as a steam valve to protect the many tenants, but at the same time it will preserve the fundamentals of free enterprise.

EXTENSION OF REMARKS

Mr. DAGUE asked and was granted permission to extend his remarks in the RECORD in two instances; in the first to include an editorial from the Philadelphia Enquirer, and in the second to include a letter from Time magazine.

Mr. FARRINGTON asked and was granted permission to extend his remarks in the RECORD and include a resolution on statehood for Hawaii.

Mr. SMITH of Wisconsin asked and was granted permission to extend his remarks in the RECORD and to include extraneous matter.

Mrs. ST. GEORGE asked and was granted permission to extend her remarks in the Appendix of the RECORD and include a magazine article written

by the gentleman from Kansas [Mr. REES].

Mr. LYNCH asked and was granted permission to extend his remarks in the Appendix of the RECORD.

EQUAL RIGHTS FOR MEN AND WOMEN

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, on January 5 I introduced House Joint Resolution 68, proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

This resolution is nonpartisan. It has been a plank in the Republican national platform in 1940, 1944, and 1948.

It has been a plank in the Democratic national platform in 1944 and 1948.

It was also a plank in the Progressive Party's national platform in 1948.

For these reasons many of my colleagues on both sides of the aisle have joined me as cosponsors of the resolution and we hope that the two major parties will live up to the promises, oft repeated in their platforms.

The following Congressmen are cosponsors of this resolution: FRANK BUCHANAN, J. HARRY MCGREGOR, WILLIAM LEMKE, ERNEST K. BRAMBLETT, A. L. MILLER, THURMOND CHATHAM, EUGENE D. O'SULLIVAN, HARLEY O. STAGGERS, THRUSTON B. MORTON, ROBERT F. RICH, CLARE MAGEE, ROBERT T. SECREST, TOBEY MORRIS, GORDON L. McDONOUGH, F. EDWARD HEBERT, CHESTER A. CHESNEY, CHARLES B. DEANE, HENDERSON LANHAM, FRANK W. BOYKIN, WILLIAM L. PFEIFFER, HOMER D. ANGELL, JAMES F. LIND, DANIEL A. REED, CHARLES E. BENNETT, HOWARD W. SMITH, EDWARD A. GARMATZ, FRANK A. BARRETT, ANTHONY CAVALCANTE, M. G. BURNSIDE, JACK Z. ANDERSON, ROBERT J. CORBETT, WAYNE L. HAYS, THOR C. TOLLEFSON, BOYD TACKETT, BRENT SPENCE, CHRISTIAN A. HERTER, DONALD L. JACKSON, RALPH W. GWINN, CLINTON D. MCKINNON, HARRY L. TOWE, W. G. STIGLER, WILLIAM T. BYRNE, WALT HORAN, JAMES S. GOLDEN, FRANCIS CASE, MORGAN M. MOULDER, CHARLES A. PLUMLEY, B. W. KEARNEY, PAUL CUNNINGHAM, ABRAHAM J. MULTER, JAMES G. FULTON, CLIFFORD DAVIS, EDWARD JENISON, JOHN PHILLIPS, JAMES G. POLK, EARL WILSON, WILBUR D. MILLS, WILLIAM P. BOLTON, E. H. HEDRICK, TOM B. FUGATE, CLEVELAND M. BAILEY, H. R. GROSS, G. R. WITHROW, RICHARD NIXON, RICHARD W. HOFFMAN, CLAIR ENGLE, JOHN R. MURDOCK, EDWIN ARTHUR HALL, ISIDORE DOLLINGER, DWIGHT L. ROGERS, CLIFFORD R. HOPE, CHARLES P. NELSON, TOM STEED, IVOR D. FENTON, A. S. HERLONG, JAMES T. PATTERSON, OTTO E. PASSMAN, CECIL M. HARDEN, DAYTON E. PHILLIPS.

NATIONAL COMMISSION ON GOVERNMENTAL RELATIONS

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. Boggs]?

There was no objection.

Mr. BOGGS of Delaware. Mr. Speaker, yesterday I introduced H. R. 2389, a bill providing for the establishment of a National Commission on Governmental Relations. At that time I emphasized the vital need for such a Commission and for a study such as the bill directs it to make, especially with respect to the fiscal problems existing among the various levels of government.

At that time, Mr. Speaker, I urged that other Members of the Congress, without respect to political affiliation, join with me in sponsoring this legislation. Consequently, it is with real pleasure and deep gratitude that I am able to report to the Members of this House that a bill identical with H. R. 2389 was introduced in the other body of the Congress yesterday by eight distinguished Members. S. 810 was introduced by Senator HENDRICKSON, of New Jersey, for himself and for Senator WILEY, of Wisconsin; Senator BRICKER, of Ohio; my colleague, Senator WILLIAMS, of Delaware; Senator SMITH, of New Jersey; Senator SCHOEPPFEL, of Kansas; Senator IVES, of New York; and Senator O'CONOR, of Maryland.

Let me say again, Mr. Speaker, that I very much appreciate the interest of those distinguished Senators in this important matter. I also reiterate my statement of yesterday in the House, to the effect that I will welcome the introduction into the House of identical bills by any of the distinguished gentlemen in this Chamber.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that after the legislative business of the day and any other special orders I may address the House today for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. PRIEST. Mr. Speaker, at the request of the gentleman from Virginia [Mr. BLAND], I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit today during the general debate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. PRIEST]?

There was no objection.

EXTENSION OF REMARKS

Mr. CELLER asked and was granted permission to extend his remarks in the RECORD.

THE TRIAL OF CARDINAL MINDSZENTY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

Mr. CELLER. Mr. Speaker, the world stands aghast at the accusation, trial, and punishment of the martyr, Cardinal Mindszenty. We are filled with horror and anger at this travesty of justice. Not only is the cardinal on trial, but all free men are being tried; all religions are on trial. The dignity of man is trampled upon. The honor of the church is defiled. Today it is a Catholic prelate that communism lays foul hands upon. Tomorrow it is a rabbi, and the next day a Protestant minister.

The lesson that burns into our consciousness is the need to purge the world of communism and its poison. The antidote is vigorous protest, followed up by appropriate economic sanctions, if necessary, by free nations, headed by the United States, if Hungary continues her dreadful and dreaded practices against the cardinal.

The **SPEAKER.** The time of the gentleman from New York has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

[Mr. WALTER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BARING, Mr. GARMATZ, and Mr. COLE of Kansas asked and were given permission to extend their own remarks in the Appendix of the Record.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the Record in two instances, in one to include an address by Governor Sparks, of Alabama.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Appendix of the Record and include a speech on health insurance.

Mr. GREEN asked and was given permission to extend his remarks in the Appendix of the Record and include an article from the American magazine of December 11, 1948, on Cardinal Mindszenty.

Mr. BROOKS asked and was given permission to extend his remarks in the Appendix of the Record and include extraneous matter.

Mr. COOPER, Mr. MILLS, and Mr. REED of New York asked and were given permission to revise and extend the remarks they expect to make in the Committee of the Whole today and to include excerpts of material to which they may refer.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the Record and include a statement he made this morning before the Committee on Veterans' Affairs.

Mr. BURDICK asked and was given permission to extend his remarks in the Appendix of the Record and include a report from the welfare board of the county in which the Sioux Indians reside.

Mr. ANGELL asked and was given permission to extend his remarks in the

Appendix of the Record and include an editorial.

Mr. HOFFMAN of Michigan (at the request of Mr. MICHENER) was given permission to extend his remarks in the Appendix of the Record and include an editorial.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the Record in two separate instances and to include extraneous matter.

UNITED STATES SAVINGS BONDS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, 75,000,000 people now own United States savings bonds. Plans are now being made for the spring campaign to stimulate even greater participation in bond-buying. Meanwhile the Savings Bond Division of the United States Treasury is seeking an official bond song to be sung and played on all appropriate occasions. The peace-time song will replace Irving Berlin's great war-time song, Any Bonds Today? As a member of the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., I am proud to announce that the Treasury's quest is assured of success. The Treasury turned to the SPEBSQSA's 26,000 members, and invited them to produce the song. Entries are pouring in to International Secretary Carroll P. Adams in Detroit headquarters of the Society, and many more entries are expected before the competition closes February 15. Two thousand barber shop quartets have volunteered their services to the Treasury to sing the song at rallies scheduled in every State in the Union. Ed Place, of the Washington, D. C., chapter, whose 100-man singing capital chorus recently entertained the society's No. 1 member, President Truman, at the inaugural gala, is in charge of the savings bond song competition for SPEBSQSA. He has extended an invitation to a Congressional quartet to introduce the winning song, and I am sure that this body can supply the necessary harmonizers and harmony to assist the savings bond campaign in such a manner. The SPEBSQSA motto, Keep America Singing, will soon be augmented by Keep America Saving. It is gratifying to know that this rapidly growing public-spirited organization of male harmonizers will hold its annual midwinter meeting in the District of Columbia in January 1950. There is no finer recreation or hobby than lifting our voices in song, and it is pleasing to know that the Nation's Capital is leading the way in this great pastime.

DECISIVE FOREIGN POLICY

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, as we open hearings today on the European recovery program it becomes clearer than ever that our own national security and world peace are far from being a certainty. The European recovery program has saved Europe from communism, but democracy is losing China, and the United States seems impotent to even try to stop it. We must develop an immediate, vigorous, and affirmative program in Asia, and we must at the same time further fortify democracy's position in Europe and the Middle East. We are learning in Europe that a recovery program without economic and even political unity—is recovery without a point.

Mr. Speaker, our foreign policy must take the logical next step and insist that the regional groupings organized in recovery programs become regional economic and political federations—this is the true intent of the Vandenberg resolution—and the basis for an ultimate world federal government, man's hope for permanent peace.

There are appended two articles from today's Washington Post bearing on this very question:

EUROPEAN UNION (By Sumner Welles)

SHADOW INSTEAD OF SUBSTANCE

I wonder if there is much justification for the enthusiastic reception which public opinion in the United States has given the announcement that the five Brussels pact countries have agreed upon a project for a Council of Europe.

The present plan is unquestionably a weak compromise. It rejects the French contention that a powerful European parliament should be constituted. It accepts the British thesis that nothing should now be done beyond the creation of machinery to facilitate inter-governmental cooperation between the western European countries.

So far nothing in fact has been settled except for an agreement that a constitution is to be drafted which will provide for a ministerial committee meeting in private, in which every country will have a veto power, and a consultative body meeting in public, which will be given no authority whatever. The British suggest that the council should hold its first meeting in Strasbourg before 1950 and the five Brussels pact countries have also agreed that Italy and other European countries are to be asked to join as founding members.

The project makes no provision for the limitation of national sovereignties. It possesses no real vitality. It responds to no overwhelming popular demand for a people's union. It ignores the eloquent and urgent warnings of the handful of statesmen that Europe still possesses, such as Churchill, Herriot, Reynaud, Blum, and Sforza, that Europe's only hope of salvation lies in political and economic federation.

Outside of the cooperative measures required by the European recovery program the only practical steps that have so far been taken to lay the foundation for such a federation are the economic agreements between Belgium, the Netherlands, and Luxembourg, and the agreement between France and Italy for a customs union.

There are several reasons for Britain's obstinate refusal to acquiesce in the demands

of the continental countries for the establishment of a European parliament possessing wide powers.

The British delegate on the permanent commission, Hugh Dalton, alleged that Britain opposed a European parliament which could override national governments.

The continental governments have now learned that the British Labor Party is determined to reject any plan for European union which might hamper its ability to carry out its own internal policies or limit its capacity to impose economic controls and pursue its present course of rigid bilateral trading.

The British Government also differs radically with France and with Germany's other western neighbors concerning the kind of Germany we are to see in the future.

The basic British viewpoint is succinctly expressed in the Economist's recent complaint that the French "strain at the gnat of German nationalism but are willing to swallow the camel of European instability." In other words, the British feel that the French should acquiesce in the resurrection of German power as a bulwark against Soviet Russia.

It is the viewpoint of the 1920's all over again. The fact that France, after the First World War, was so tragically right in her fear of German nationalism and the English-speaking powers so tragically wrong in their insistence that there was no cause for apprehension seems to count for nothing in Downing Street.

It is also a strange anomaly that the cartels and vested interests in the continental countries that are out to sabotage any kind of European union which could deprive them of the benefits they have so long derived from customs barriers and exchange controls should now be joining hands with Britain's Socialist government in impeding, if not permanently blocking, the creation of that form of European union with Clement Attlee himself only 2 years ago officially proclaimed to be Europe's one chance for survival.

The United States until now has limited itself to a few platitudinous expressions of pleasure that plans for a European union should be under way. Yet is such a shadow of a European union as that now projected likely to be of any practical benefit to the United States or to become a regional bloc capable of strengthening the foundations of the United Nations?

It is generally admitted here in Washington that western Europe will still be a long way from recovery when the European recovery program ends in 1952. It is also believed that only a far-reaching political and economic union can make western Europe self-supporting. The negotiations for the North Atlantic defense pact have clearly shown that in many parts of western Europe there is already a trend toward regional isolation rather than toward a pooling of sovereign rights in the common interest. It would certainly seem to be plain that only a real and vital European federation, such as that envisaged by Mr. Churchill, could prevent a return to such a fractionized western Europe as that which made possible the catastrophe of 1939.

The State Department has properly refused to use the European recovery program as a means of influencing the national policies of the Marshall plan countries. But is there any valid reason why the countries which are receiving help under the European recovery program and which will obtain arms for self-defense as a result of the North Atlantic defense pact should not be frankly told that one of the principal ends sought by the American people in return for their sacrifices on behalf of western Europe is a real federation of the western European countries.

Might it not be the better part of wisdom for us to adopt before it is too late a less negative attitude with regard to this vital issue?

PARTNERS OR ALLIES

Only in the last few weeks has it dawned on the world that the United States and the Soviet Union are locked in a deadly struggle for allies in the next war. This is the lesson of the tug-of-war over Norway. The Soviet refuses to accept the Norwegian answer as the clarification that it sought of Norway's stand on the Atlantic Pact. And assuming that Moscow had any right to call for any such clarification, the answer was indeed cryptic. Norway said she would not permit the establishment of foreign bases on Norwegian soil "as long as Norway is not attacked or subjected to threats of attack." Russia rightly construes the explanation as leaving the Norwegians a free hand to determine the conditions which would persuade them to put bases in Norway at the disposal of the United States.

Moscow, however, chooses to ignore the fact that Norway is already bound solemnly under the United Nations to keep the peace. If the Soviet would be reassured by another pledge, it is doubtful whether Norway would. For a nonaggression pact in the Soviet lexicon has become the entering wedge of aggression. Cases in point are all the peace treaties that Moscow signed with the Balkan states. The fate of Czechoslovakia, in particular, makes a mockery of the Soviet request. Before the war the Soviet was the first to recognize that a nonaggression undertaking by Nazi Germany meant nothing, and first Litvinov and then Molotov insisted on spelling out all the phases of aggression, both internal and external; and then demanded guarantees. Stalin has taken a leaf out of Hitler's copybook. The plain fact, as the world no less than Norway sees it, is that as a result of Soviet postwar actions there is absent in relations with the Soviet Union the basic ingredient of what is now called a nonself-operating agreement, viz, good faith. It could thus be taken for granted that even if Norway were to sign a nonaggression pact with Soviet Russia, she would not thereby be deterred from seeking closer association with the Atlantic nations.

However, the occasion might be taken to reexamine the nature of the particular kind of Atlantic association under discussion. Why limit the association to a military alliance providing for the acquisition of bases, for arms consignments, and for a pledge to wage war together? If we feel a sense of association with western Europe, why not offer an association for peace as well as for war? Metternich said after the Napoleonic wars that "a unifying idea" was the foundation of postwar reconstruction and pacification. The "unifying idea" of his day was legitimacy of government. Today it is freedom and union—as the free peoples all recognize in their dreams, though their governments are not guided by it. Specifically, before this country sets its hand to a military alliance and embarks on a course that all history teaches will infallibly lead to war, let us issue a call for a constitutional assembly for the consideration of a grand Federal Union.

Such a call from the United States—the "music maker" for the free world—would lift the present discussions onto a new plane. It would reach peoples as well as governments, and inspire them to lift up their voices in an irresistible demonstration. In their hearts they want to relate themselves to other peoples. They know that distance has been annihilated, that what affects one affects everybody; yet they see their governments building up vested and nationalistic interests in such things as fighting currencies, state trading systems, and other forms of anarchy. It must seem to them defeatist as well as

senseless. They cannot be encouraged, either, by the spectacle that this reversion to pathological nationalism is being financed under ERP, though, to be sure, the ERP ideal is eventually to create interdependence out of a sturdier independence.

Is it not remarkable that the first thing to be forgotten in time of peace is our war aims? Cannot we see that in all the postwar schemes of pacification and reconstruction we have undershot the mark? Partnership is the effective alliance, and the only one. Before the reaction to a mere military alliance gets altogether crystallized, an effort to realize the aspirations of the men who have had to fight a couple of world wars in the last 35 years ought to be explored, and the idea of a great community taken out of the hearts of mankind and given some form and substance.

EXTENSION OF REMARKS

Mr. WHITTINGTON asked and was given permission to extend his remarks in the Record and include an address he delivered before the thirtieth annual convention of the Mississippi Valley Association, St. Louis, Mo., on Monday, February 7, on the subject, A Sound Program of Flood Control and River and Harbor Improvements Must Be Maintained.

THE PANAMA CANAL

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, the Congress now has before it a question of national and international significance—the Panama Canal.

An important contribution to the many discussions of this subject was published in the Proceedings of the American Society of Civil Engineers, January 1949, volume 75, No. 1, pages 143-145, in the form of a technical discussion by Harry Outen Cole, a consulting engineer of Morgantown, W. Va.

Mr. Cole is an engineer of great distinction who knows the Panama Canal and the problems related thereto, based upon his own personal knowledge as resident engineer of the Pacific division of the Canal, including the Pacific locks. His words will carry great weight.

I urge that every Member of the Congress and all others who are interested in the Canal question read his illuminatory discussion, which should go a long way toward clarifying the issues.

TRADE AGREEMENTS EXTENSION ACT OF 1949

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1211, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

Mr. DOUGHTON. Mr. Chairman, since erroneous charges have appeared in the press that might lead some Members of the House to conclude that there was inadequate opportunity to be heard on this bill, it may be helpful to compare the background of the present bill with the procedure adopted by the Republican majority in the disposition of the Trade Agreements Extension Act of 1948.

Last year, a subcommittee conducted the hearings on this important legislation. This year, hearings were held by the full committee.

The 1948 hearings were held behind closed doors with the press and public barred, and with a number of people deprived not only of the opportunity to be heard, but also of the right to know what other witnesses were saying before the subcommittee. In contrast, the hearings on H. R. 1211 were open to press and public and everyone who sought an opportunity to be heard was permitted to testify. Last year, although hearings were held for 6 days from May 3 to May 8, 1948, a bill was not introduced in the House until May 24. In contrast, the committee this year has had from the beginning of the hearings the benefit of knowing precisely the terms of the bill upon which the hearings were being held.

Last year the time allotted between proponents and opponents of the reciprocal-trade program was divided equally, that is, 3 days to a side. This year, the opposition had 4 days while the proponents had but 3 days. Even the terms of debate on the floor are more advantageous to the present minority than those prescribed by them when they were in control of the Eightieth Congress. Under the agreed procedure any Member will have an opportunity to offer an amendment to H. R. 1211 while last year the Republicans brought their bill to the House under a closed rule under which there was no opportunity for amendment whatever. If ever there has been a full, fair, and free hearing, discussion and deliberation of any legislation, it has been provided for the pending bill.

The bill under consideration by the House to extend the authority of the President under section 350 of the Tariff Act of 1930 as amended, and for other purposes, will, if enacted into law, restore and unshackle the authority of the President to enter into foreign trade agreements. The Trade Agreements Extension Act of 1948, Eightieth Congress, was written by the foes and not the friends of the reciprocal trade method of dealing with tariffs and international trade. It was proposed and sponsored by those who on every previous occasion had opposed and voted against the extension of the Reciprocal Trade Act beginning with 1934 and continuing to 1948.

The reciprocal trade method of dealing with tariff problems had proved so popular with the people of the country that its opponents would not risk an open effort to wipe it off the statute

books, but attacked it by flank movement by the substitution of a bill which weakened, emasculated, and crippled the original act.

When the President reluctantly signed the 1948 act he protested that—

The act prescribes a new complicated, time-consuming, and unnecessary procedure for the negotiation of reciprocal trade agreements. This change in procedure will necessarily hamper and obstruct the negotiation of new agreements, a defect which is particularly undesirable in view of the act's limitation to a single year.

However, the President, loyal to his constitutional duty, proceeded to schedule reciprocal trade negotiations with 13 foreign countries, beginning in April. In his letter to me of January 8, 1949, the President requested that the Committee on Ways and Means take up the extension of the Trade Agreements Act, without hampering amendments, at the earliest possible date. He further stated:

The restrictive provisions and limited extension of the present trade agreements law materially hamper the effectiveness of United States participation in this effort. That is why it is so important that the existing Trade Agreements Act be promptly repealed, and that the act as it existed on March 1, 1948, be extended for a further substantial period. I suggest that this period be until June 12, 1951.

ORIGIN OF RECIPROCAL TRADE PROGRAM

In order to view the reciprocal trade program in its proper perspective, we should never forget that it was conceived by the eminent, respected and revered world statesman, Hon. Cordell Hull. Of the many magnificent contributions Mr. Hull has made to his own country and to the world community of nations, no star of his achievement shines more brightly than his reciprocal trade program. Cordell Hull, in my judgment, will be rated by future historians as one of the greatest statesmen America has ever produced. If Cordell Hull in all his long public career ever said or did an unwise thing, I never heard of it.

I distinctly remember his appearance before the Committee on Ways and Means on March 8, 1934—the same committee on which he had served so illustriously for 18 years. In his appearance on this occasion he soundly advised our committee as follows:

Extreme obstructions to international trade inevitably result in serious economic controversies or wars, the minimum of commerce between nations, constant over-production through lack of facilities for distribution, together with every sort of artificial device to deal with the domestic price situation, vast idleness of labor, and emigration of capital into thousands of foreign industrial plants, to say nothing of the difficulties of effecting transfers of debt service due from one country to another. The alternative policy would appear to comprise a liberalization of the existing obstructions and restrictions by degrees and over a period of time through careful trade arrangements, to a more moderate and reasonable basis.

That was 15 years ago. The wisdom of his advice was appreciated and followed by the Committee on Ways and Means and the bill was approved on June 18, 1934, which was the first Trade Agreements Act.

HISTORY OF THE OPERATION OF THE TRADE AGREEMENTS ACT

The Trade Agreements Act brought forth a basic change in our tariff philosophy. In the enactment of the Smoot-Hawley Tariff Act of 1930, and other high tariff measures, the ruling philosophy was that the determination of the United States tariff was solely and exclusively a matter of domestic concern. Rates were fixed at inordinately high levels to conform to the wishes of domestic producers with little or no consideration given to the importance of our export trade or the American consumer.

It will be remembered that when the Smoot-Hawley Tariff Act was under consideration it was opposed by the Tariff Commission, although our friends who opposed the Hull tariff policy now seem to lay great weight on the opinion of the Tariff Commission.

It may be helpful to remember that more than one thousand eminent economists throughout the country warned those in charge of the Smoot-Hawley tariff bill that, if it should be enacted into law, serious economic consequences would ensue. The Smoot-Hawley Tariff Act, although heralded as a harbinger of national prosperity, was followed by the worst economic catastrophe in the history of our Government. Although it was proposed as a means of abolishing poverty and spreading prosperity throughout the land, the country experienced exactly the opposite. Under its operations industry was bankrupt, agriculture paralyzed, labor pauperized, banks failed by the thousands, and the economy of the country was shattered almost beyond belief or description, almost to the point of a revolution.

The Trade Agreements Act policy, on the other hand, recognized that tariffs are a proper subject for discussion and negotiation between and among countries interested in either import or export trade, or both.

The act, up to 1948, authorized the President to reduce excessively high tariffs up to 50 percent, not arbitrarily, but in return for concessions from foreign countries when it could be done to the mutual benefit of each. It is a repudiation of economic isolation.

Since 1934 agreements have been consummated with more than 40 foreign countries, which together with the United States account for the preponderant part of world trade. Tariffs and other barriers to trade have been progressively and selectively reduced or removed so as to facilitate the flow of profitable trade and thereby improve the standard of living and enhance the prosperity of the many countries concerned. Our many agricultural and industrial producers whose output is in excess of domestic requirements must find a profitable outlet abroad for their surpluses and in return take foreign products which are necessary either as raw materials to keep our industrial machine running or as consumer goods to supplement our own production.

How can opponents of the reciprocal trade program seriously contend that our national economy has been impaired when national income has increased from \$48,600,000,000 in 1934 to \$224,000,000,000 in 1948? Has business been hurt,

or seriously threatened, when income from manufacturing has increased sevenfold? When agriculture, which relies heavily upon foreign markets for disposal of surplus crops, has increased its cash income from six and one-half billion dollars in 1934 to more than 31 billions in 1948?

Of course sole credit is not claimed by the friends of reciprocal trade for all these achievements, but it can be truthfully asserted that the Trade Agreements Act has played a major part in our pre-war economic recovery. While no law can make us immune from the horrors of war, it is a significant fact that in World War II we did not engage in conflict with a single reciprocal trade agreement country.

Department of Commerce figures show that United States exports to trade agreement countries for the 2 years 1934-35, as compared with the 2 years 1938-39, increased 63 percent with trade agreement countries as against an increase of only 32 percent with non-agreement countries. Imports into the United States increased but 12½ percent from nonagreement countries in comparison with an increase of 27 percent from agreement countries. Our total exports for 1948 amounted to nearly \$17,000,000,000 while imports totaled slightly more than \$10,000,000,000. The balance in our favor in our foreign trade at present is being made up largely by grants and loans to foreign governments, but every sound thinker knows this cannot continue without national bankruptcy. Consequently, if we are to sell abroad the surpluses of our farms, mines, and factories we must take in payment goods from other countries in such quantities and on such terms as will not seriously affect or injure our domestic producers.

PROCEDURES PRIOR TO 1948 COMPARED WITH PRESENT LAW

Under the Trade Agreements Act, prior to the 1948 amendments, the following procedures were in effect:

The Interdepartmental Trade Agreements Committee, just as under existing law, served as the agency through which the President obtained advice and information before negotiating a trade agreement. The broadest interests of American agriculture, industry, and labor, and of national security were represented on the Trade Agreements Committee by a member of the Tariff Commission and by persons designated by the Secretaries of State, Treasury, War, Navy, Agriculture, Commerce, and Labor. The information and advice submitted to the Trade Agreements Committee were from three principal sources:

(a) Interested persons, including, of course, domestic producers, might either submit statements or briefs or appear in person at public hearings. I have heard of no complaint in the hearings that interested parties have been denied courteous and impartial treatment.

(b) The Tariff Commission made a study of the imports and the effect of possible concessions.

(c) The Department of Commerce made a similar study with respect to each export item considered for inclusion in a trade agreement. The Trade Agreements Committee then made its

recommendations to the President, who made the final decision respecting the items included for negotiation and the extent of concessions to be offered. If any member of the Trade Agreements Committee dissented, the President was provided with a full report giving the reasons for the dissent.

The foregoing procedure provided an adequate opportunity for all interested parties to be heard before a trade agreement was negotiated. The interest of specific producers was balanced against and considered along with the over-all interest, first of the general public, then of industry, labor, agriculture, and our military, financial, and foreign policies.

The above procedures were found to operate effectively and efficiently in enabling the United States to take the initiative toward reduction and elimination of barriers to world trade. Since 1942, moreover, domestic industry has had the protection of both the careful preparation before actual negotiation of a trade agreement and also of the insertion of an "escape clause" in each agreement. Under this escape clause, concessions made with respect to any article may be modified or withdrawn if, as a result of unforeseen developments and of a concession in the trade agreement, any article on which a concession has been granted is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to any domestic industry.

I am advised by the Acting Chairman of the Tariff Commission that, as of January 31, 1949, only three applications had been filed under an escape clause. Two of the applications—one on marrons and one on whisky—have been dismissed, while the third, on spring clothespins, is still pending.

Apparently domestic industries have not considered themselves seriously injured or threatened with serious injury, else they would have invoked the escape clause procedures more frequently.

Despite the great benefits to our national economy and the maintenance of our leadership in international trade, and the safeguards to domestic producers, a hostile majority in the Eightieth Congress skillfully and deliberately set about hamstringing that program that they did not dare attempt abolish.

Despite overwhelming public sentiment to the contrary, the House passed a bill so bad that Secretary of State Marshall advised me in a letter that "our national interests would be better served to permit the Trade Agreements Act to expire than for H. R. 6556 to be enacted."

Despite modification in the other body of the deadly restrictions voted by the House, the Trade Agreements Extension Act of 1948, as finally enacted, and reluctantly approved by the President, imposed the following hampering limitations upon the tried and tested procedures previously in effect:

First. The Tariff Commission could no longer be represented on the Interdepartmental Trade Agreements Committee to advise and consult with the President in preparing for trade-agreement negotiations.

Second. The President was prohibited from negotiating any trade agreement

until he had received a report from the Tariff Commission fixing a peril point, or minimum tariff level, on each article to be considered for possible modification of duties, or until 120 days had elapsed.

Third. On the firing line of actual negotiation with experts of foreign countries, the President was denied the participation and assistance of some of the best qualified personnel in our own Government—the members of the Tariff Commission and their staff.

Fourth. If in the over-all national interest, the President negotiated a reduction in tariff rates below the minimum recommended by the Tariff Commission—whose only concern under existing law is the interest of the specific domestic industry—then he must be subjected to the spectacle of a public justification of his actions to the Congress.

The bill under consideration would remove the restrictions of the 1948 act and would clear the path for the negotiations with 13 countries scheduled to begin in April, and would eliminate the doubt created by the Eightieth Congress whether the United States has definitely and permanently turned away from economic and political isolationism.

ENACTMENT OF H. R. 1211 ESSENTIAL TO OUR FOREIGN POLICY AND NATIONAL SECURITY

Every interested representative of the executive branch of the Government—the President, the Secretary of State, Secretary of Defense, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor and Economic Cooperation Administrator—have advised that the revival and extension of the reciprocal trade program for another period of 3 years from June 12, 1948, without the crippling amendments contained in the present law, is essential to the success of our foreign economic policy.

Assistant Secretary of State Thorp testified:

The trade agreements program is an integral part of our over-all program for the world economic recovery.

Viewed in that perspective, it is perfectly clear to me that the trade agreements program must continue in the form which will render it most effective; namely, the form introduced in H. R. 1211, the form which has stood the test of experience for 14 years.

Secretary of the Treasury Snyder wrote on January 24, 1949:

Far-reaching developments in world economic relationships require that we plan for a changed basis for international economic stability, if our friendly partners in the world community are generally to achieve economic self-sufficiency. The careful and selective study and progressive elimination of trade barriers must go hand in hand with the programs of financial assistance we are administering. For this reason, I consider the reciprocal trade agreements program to play a vital role in supporting our foreign financial policies.

Secretary of Agriculture Brannan reported the direct interest of the American farmer as follows:

The farmers of this country normally produce many commodities in greater quantities than are required for use in the United States. Any acceptable United States farm program, therefore, must be associated with a program for keeping open the channels of

international trade in a manner that will permit United States agricultural products to compete abroad. The American farmer must not have his products excluded from foreign markets by excessive tariffs and other barriers or discriminated against through preferences and other special deals between foreign governments.

Secretary of Commerce Sawyer observed in a letter dated January 25, 1949, with regard to American producers and consumers that—

The tariff adjustments which have resulted have benefited our consumers at a time when supplies were short. The concessions received from other countries have also been of significance to some of our exporters.

Secretary of Labor Tobin wrote on January 23, 1949:

I need not dwell at length on the interest of American workers and their families in the continuation of the trade-agreements program. High levels of world trade mean high standards of living at home, making available to labor those materials and products that can be produced most efficiently abroad, and making available to workers abroad, both for consumption and for economic development, what we produce in the United States.

Economic Cooperation Administrator Hoffman warned:

ECA's interest in reciprocal trade agreements legislation stems from the basic objectives for the Foreign Assistance Act of 1948 which are to furnish materials and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title * * *

An increase in the world volume of trade is not only desirable but vitally necessary if the other countries are to recover their ability to pay their own way.

Opposition witnesses and members of the minority have recklessly asserted that the reciprocal trade program has jeopardized our national security by threatening, or injuring, domestic industries essential to the defense of our country.

It is argued, at page 6 of the minority report, that the peril-point report of the Tariff Commission should be continued so that the findings of the Commission as to the point below which tariff reduction might endanger our vital industries will be known to the President.

Of course, there is nothing whatever in the 1948 act that requires the Tariff Commission to consider anything more than the private interests of domestic producers. There is not a single word in the Trade Agreements Extension Act of 1948 that requires the Tariff Commission to consider the national defense in fixing its peril point. If this factor is so important why was it not written into the 1948 act?

In a deliberate effort to becloud the issue by attributing to the trade-agreements program perennial financial embarrassment of one manufacturer of jeweled watches, the minority report reprints a letter addressed to the gentleman from Iowa [Mr. MARTIN] by Lt. Gen. LeR. Lutes, Director of the Staff of the Munitions Board.

This letter states, in brief, that the maintenance of at least a minimum level

of operation by the American jewel-watch industry is vital to the defense of the United States.

In order to clarify the record finally and permanently, insofar as the watch industry is concerned, I wrote Secretary of Defense Forrestal, the member of the President's Cabinet whose uppermost consideration at all times is the maintenance of our national security, as follows:

MY DEAR MR. SECRETARY: In the recent hearings before the Committee on Ways and Means on the extension of the Trade Agreements Act there has been some conflicting testimony whether the reciprocal trade authority has been administered in such a way as to impair the important role of the domestic watch industry in our program of national defense.

Will you please give me your opinion on this question? Inasmuch as the bill H. R. 1211, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, is scheduled for debate in the House early next week, your expeditious consideration of this inquiry will be appreciated.

On February 4, 1949, Secretary Forrestal replied as follows:

DEAR MR. CHAIRMAN: Reference is made to your letter of February 3, 1949, requesting my views on the question of whether the reciprocal trade authority has been administered in such a way as to impair the important role of the domestic watch industry in our program of national defense.

The domestic jewel watch industry has fulfilled its role in our program of national defense, and I am not aware that its capabilities have been adversely affected by the reciprocal trade authority.

It is true, as General Lutes pointed out in his letter of February 1, 1949, to Representative THOMAS E. MARTIN, a copy of which I sent you the other day, that the maintenance of at least a minimum level of operation by the American jewel-watch industry is vital to the defense of the United States and should be preserved. I believe, however, that the trade agreements program is so designed as to permit adequate protection in this regard. For example: The program offers an excellent means of protecting those industries considered vital to the national security by the retention of tariffs. The National Military Establishment member on the inter-departmental committee which administers the law has frequently made representations of this nature in the interest of national defense.

As I stated to you in my letter of January 28, 1949, the National Military Establishment believes that the Trade Agreements Act should be renewed. It is considered that such a step is in the interest of national security both in the immediate and in the long-term sense.

Now, perhaps the opponents of the reciprocal trade program will stop using the cry of national defense behind which to cloak their hereditary high-tariff protectionism.

OVERWHELMING SUPPORT OF H. R. 1211 BY REPRESENTATIVES OF AMERICAN AGRICULTURE, CONSUMERS, INDUSTRY, AND LABOR

The overwhelming desire of the vast majority of the American people in private life is also to restore unimpaired the original Hull reciprocal trade program. The people understand and concur in such statements made to the Committee on Ways and Means as the following:

First. Mr. Russell Smith representing the National Farmers Union:

Our farmers still believe that the senseless race of self-sufficiency among nations which the Smoot-Hawley Tariff Act chiefly incited was among the principal causes of World War II. They still believe that a prosperous world cannot be achieved without free exchange of commodities. They still believe that dilution of the Trade Agreements Act will be construed by the world at large as proof that American deeds do not accord with American professions.

Second. The American Farm Bureau Federation, with a membership of 1,325,000 farm families in 45 States strongly favors the Reciprocal Trade Agreements Act without crippling amendments, as testified before our committee by Mr. Allan B. Kline, president. Among other things Mr. Kline said:

No group in the United States has a greater stake in maintaining a high level of exports than American farmers. The American farmer needs foreign markets. In 1948 the production of agricultural products was 38 percent above the prewar level. In the case of some products the increase in production was much greater.

* * * That is why they are so vitally interested in the success of the reciprocal trade agreements program, which seeks to remove the barriers to trade so that trade can expand.

We, therefore, support the continuation of the Trade Agreements Act for another 3-year period and the elimination of the restrictions enacted in the 1948 Extension Act which tend to hamper the successful operation of this program.

Third. Mrs. C. D. Wright, chairman, legislative department, General Federation of Women's Clubs:

The general federation strongly endorses the legislation now under consideration by the House Ways and Means Committee providing for a restoration of the 1934 act and a return to the 3-year cycle which has operated with such success in the past.

Fourth. Mrs. Margaret F. Stone, chairman of legislation, National Women's Trade Union League, who also appeared before the Committee on Ways and Means for the American Home Economics Association and the National Council of Jewish Women:

The women of this country, in large numbers, are for the trade-agreements program and want to see it made permanent, without shackles. They are for it as housewives interested in the family budget and making the dollar go as far as possible. They are for it as workers, whether in industry, in offices, or in other occupations. They are for it, above all, as humanitarians who want to see every pillar in the foundation of world peace made as strong as possible.

Fifth. Mr. Charles P. Taft, speaking for the Federal Council of the Churches of Christ in America:

On March 25, 1947, the executive committee of the Federal Council of Churches of Christ in America, on recommendation of the commission on the basis of a just and durable peace, reaffirmed its endorsement of the reciprocal-trade-agreements program and deplored any course by Members of the Congress which might cast any doubt upon the continued adherence of the United States to the fundamentals of this program.

The development of the European recovery program lends added importance to the increase of multilateral exchange of goods and services. As the Federal Council of Churches executive committee said in this connection on January 13, 1948:

"If the United States is to fulfill its long-term responsibility in the world economy it must help enable other countries to manufacture and sell their own goods and services in order to buy what they need.

"Therefore, the European recovery program should be linked with long-range planning to increase American imports so that European economic life as well as our own may be maintained at a high level."

Sixth. Mr. Walter J. Mason, national legislative representative, American Federation of Labor:

The chief instrument by which this Nation can contribute toward a progressive reduction in world trade barriers is the reciprocal-trade-agreements program. . . . Because of our stake, as workers in a free society, in developing a peaceful and prosperous world, we firmly support a 3-year extension of this program.

Seventh. Mr. Stanley H. Ruttenberg, director of education and research, Congress of Industrial Organizations:

It has been alleged that the trade-agreements program, by reducing American tariffs, will reduce American wage levels to the wage levels of foreign countries. . . .

High productivity, rather than the American tariff, accounts for the American wage level. . . . If our labor productivity were low, we would not have high wages even if our tariffs were raised a thousand times. Many foreign countries have much higher tariffs than the United States, yet their wage levels are lower than ours. The plain truth is that foreign countries worry about their ability to compete with us.

The Reciprocal Trade Agreements Act is an important cog in our complex domestic economy. But the importance of the act does not stop there. Reciprocal trade agreements play an equally important part in enabling us to carry out our tremendous world responsibilities and commitments under the Economic Cooperation Act of 1948 to reduce trade barriers.

CONCLUSION

It is my considered judgment that international trade conducted on an equitable, live-and-let-live, just-and-fair, Golden Rule basis will do much to promote prosperity and international good will among the nations of the world. In my opinion, peace, freedom, and world trade go hand in hand.

I do not question the motives nor the sincerity of those who differ with me on this very important legislation. What I do question is the logic of their reasoning and the soundness of their conclusions.

I will make my position plain on the subject of the tariff. I am not a free-trader in the generally accepted meaning of the term and would oppose any lowering of the tariff that would inflict serious injury upon any legitimate, efficiently managed domestic industries. On the other hand, I am not an apostle of a high, panic-producing, monopoly-sheltering, trade-throttling, enemy-making tariff. Truth never abides in extremes—a safe, middle-of-the-road course, free of extremes, is the highway we should travel in tariffs, as well as in

all public matters. This bill keeps us well within that course, and I trust and expect the House will give it an overwhelming approval.

THE WHITE HOUSE,
Washington, January 8, 1949.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means,
House of Representatives,

Washington, D. C.

MY DEAR MR. CHAIRMAN: In my message on the state of the Union I asked the Congress to act promptly to extend the Trade Agreements Act without the hampering restrictions placed on it by the last Congress.

As you know, negotiations will begin in April to extend the benefits of the general agreement on tariffs and trade to 13 countries that did not participate in the original agreement. This general agreement, concluded in the autumn of 1947, is the most important and comprehensive trade agreement in history. Under it the United States and 22 other nations agreed to reduce their tariffs, or to maintain low tariffs, or none at all, on a wide variety of products. The products affected accounted in 1938 for over half of the world's international trade. In addition, the participating countries agreed to curb the use of other trade restrictions, such as import quotas, and to limit various kinds of discrimination, such as preferential treatment of imports from one country as against those from another. Never before have so many nations combined in such an intensive effort to reduce barriers to trade.

The extension of the benefits of this agreement under the authority of the Trade Agreements Act is a practical cooperative effort to remove unnecessary obstacles to the building of a stable and prosperous world. The restrictive provisions and limited extension of the present trade-agreements law materially hamper the effectiveness of United States participation in this effort. That is why it is so important that the existing Trade Agreements Act be promptly repealed, and that the act as it existed on March 1, 1948, be extended for a further substantial period. I suggest that this period be until June 12, 1951.

Unless nations can sell each other the products of their agriculture, labor, and industry to the greatest possible extent, there can be no sure foundation for economic peace. Unless world trade is increased, the tremendous investment we are making toward world economic recovery will be largely wasted. Unless trade restrictions are relaxed, the lot of the private trader in international trade will become increasingly difficult.

In the achievement of these objectives, United States leadership and United States action is a decisive influence.

The trade-agreements program has proved itself to the people of the United States. It has justly earned their overwhelming support. We must be in a position to press that program forward with vigor.

I know that I can count on your continued support in securing necessary action to this end at the earliest possible date.

Sincerely yours,

HARRY S. TRUMAN.

STATEMENT BY THE PRESIDENT

I have today signed H. R. 6556, the Trade Agreements Extension Act of 1948. Unfortunately, this act extends for only 1 year the authority to enter into reciprocal trade agreements. It also makes unwise changes in the procedure for negotiating such agreements.

I regret very much that the Congress has not seen fit to renew this authority for the customary 3-year period. There is no valid reason for a 1-year limitation, which appears to cast some doubt upon our intentions for the future.

Moreover, the act prescribes a new, complicated, time-consuming, and unnecessary procedure for the negotiation of reciprocal trade agreements. This change in procedure will necessarily hamper and obstruct the negotiation of new agreements, a defect which is particularly undesirable in view of the act's limitation to a single year.

The reciprocal-trade-agreements program has long occupied a key position in our foreign policy and in our endeavors to assist world recovery. As I pointed out in a special message to the Congress last March, the program is a tested and practical means for achieving the benefits of expanding world commerce for the United States and other countries and a continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as a basis for enduring world peace.

As part of the European recovery program, the participating countries have agreed to work together to lower barriers to trade. The United States can surely do no less than show its determination to support the same principle, which is so important to an expansion of world markets and world trade.

It is so essential that the reciprocal-trade-agreements program should not lapse that I have signed this act in spite of its serious defects.

I will do my best to make the new procedures work. As a first step, I intend to proceed in the near future with plans for bringing other countries into the general agreement on tariffs and trade signed with 22 countries at Geneva in October 1947.

The reciprocal-trade-agreements program is one of high national policy. When the act is again extended next year, I trust that the defects contained in this year's extension will be corrected, in order that the act will be restored as a fully effective instrument of permanent United States policy.

JUNE 26, 1948.

THE SECRETARY OF THE TREASURY,

Washington, January 24, 1949.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means,
House of Representatives.

MY DEAR MR. CHAIRMAN: On March 1, 1948, the President addressed a message to the Congress recommending that the Reciprocal Trade Agreements Act, then due to expire on June 12, 1948, be extended for a period of 3 years from that date without change. Despite this recommendation, the Eightieth Congress enacted the Trade Agreements Extension Act of 1948, extending the authority for entering into reciprocal trade agreements only for a period of slightly more than 1 year, and prescribing new procedures which in fact constituted obstacles to the negotiation of such agreements. The interested agencies of the executive branch of the Government advised strongly against these changes. The President reluctantly approved the bill, since the only alternative was to permit the program to lapse.

On June 2, 1948, while the Senate had under consideration H. R. 6556, Eightieth Congress, which later became, with amendments, the Reciprocal Trade Agreements Extension Act of 1948, I set forth the views of the Treasury Department on the bill in a letter to the then chairman of the Committee on Finance of the Senate. At that time I wrote:

"The bill purports to extend the reciprocal-trade-agreements authority in the Executive for an additional period of approximately 1 year; but, in the judgment of this Department, its provisions are such as to disrupt the present smoothly operating interdepartmental machinery and to render the reciprocal-trade-agreements program unworkable."

A detailed report on the difficulties encountered in administering the program in accordance with the procedural requirements set forth in the 1948 act is being put before you by the Department of State. The Treasury Department, which shares responsibility for the administration of the program, has been furnished with an advance copy of the statement which is to be placed before your committee today by the State Department, and is in full agreement with it.

However, there is one aspect of the question which I particularly wish to bring to the attention of your committee. Under the provisions of the Bretton Woods Agreements Act, I serve as Chairman of the National Advisory Council on International Monetary and Financial Problems, the interdepartmental body which has responsibility for coordinating the policies and operations of this Government in the foreign financial, exchange, and monetary field. Currently, the Council is giving its primary attention to a series of far-reaching programs involving financial assistance for other countries of the world. In carrying out these functions, the Council has constantly borne in mind the policies enunciated by the Congress in this connection, calling for the progressive reduction of trade barriers, the elimination of unfair trade practices, the expansion and balanced growth of international trade, and the establishment of stable international economic relationships (Bretton Woods Agreements Act, sec. 14; Economic Cooperation Act of 1948, sec. 102 (a)).

The achievement of these aims and the restoration of a healthy international economy cannot be accomplished merely by looking backward toward a restoration of pre-war conditions. Far-reaching developments in world economic relationships require that we plan for a changed basis for international economic stability, if our friendly partners in the world community are generally to achieve economic self-sufficiency. The careful and selective study and progressive elimination of trade barriers must go hand in hand with the programs of financial assistance we are administering. For this reason, I consider the reciprocal-trade-agreements program to play a vital role in supporting our foreign financial policies.

The President, on January 8, 1949, repeated the recommendation he made on March 1, 1948, that the reciprocal-trade-agreements program should be extended for 3 years from June 12, 1948, without the limitations on the Presidential authority contained in the 1948 legislation. A bill has now been introduced (H. R. 1211) to accomplish this purpose. I strongly urge that your committee give favorable consideration to that bill.

This Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

JOHN W. SNYDER,
Secretary of the Treasury.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., January 24, 1949.
HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives.

DEAR MR. DOUGHTON: I am writing in connection with the hearings being held by your committee on H. R. 1211, a bill to extend the authority of the President (to negotiate foreign-trade agreements) under section 350 of the Tariff Act of 1930, as amended. This Department favors the passage of H. R. 1211.

On May 6, 1948, I appeared before the Committee on Ways and Means to advocate the extension of authority provided in the bill under reference. The Trade Agreements Act granting that authority had been in effect without significant alteration for 14 years. I stated the basic interest of agriculture in the reciprocal-trade-agreements pro-

gram. That program is the necessary foreign counterpart of a long-term domestic agricultural program.

The farmers of this country normally produce many commodities in greater quantities than are required for use in the United States. Any acceptable United States farm program, therefore, must be associated with a program for keeping open the channels of international trade in a manner that will permit United States agricultural products to compete abroad. The American farmer must not have his products excluded from foreign markets by excessive tariffs and other barriers or discriminated against through preferences and other special deals between foreign governments.

Agriculture is interested in the trade-agreements program not only in connection with agricultural exports but also in connection with industrial exports. Agriculture needs a wide and dependable market in the United States for American farm products. Sales abroad of products of the American factory result in greater employment and consequently greater domestic demand for products of the American farm. This is particularly true of products which are consumed increasingly as incomes rise, such as dairy and poultry products, meats, fruits, nuts, and vegetables. But a high level of American industrial exports can be maintained only in a climate of world prosperity, a climate which can prevail only when there is extensive interchange of goods and services between countries. The trade-agreements program is designed to facilitate such an interchange.

In order that foreign countries may pay for our farm and factory products, they must obtain dollars. For the time being, of course, conditions resulting from the war have made it necessary to supply many of our exports as gifts or on credit. However, this cannot be continued indefinitely. The most important continuing source of dollars for our foreign customers is their sale of goods to us; that is, our imports. Under the reciprocal-trade-agreements program, we have developed a mechanism whereby we can reduce the barriers against imports into the United States in such a way as to increase those imports without causing injury to established United States industry.

The imports thus obtained tend to raise our living standards. The large block of our population represented by farm people is an important group of consumers. They know that the benefits of trade do not lie merely in getting rid of a maximum amount of goods. They want to get as much as possible in return. The trade-agreements program is designed to facilitate that.

As a long-term program, the trade-agreements program can be of aid in the immediate problem of European recovery. Under the Foreign Assistance Act of 1948, the United States has launched on a program of direct aid so that the other participating countries may carry their recovery to the point where they are enabled to join us as partners in a going international economy. The reduction of trade barriers now can help assure progress toward such an economy.

Despite the difficult circumstances of international relations which prevailed between the original adoption of the Trade Agreements Act in 1934 and the beginning of the war, experience under the program in that period showed a consistent advantage to the American farmer. Our farm exports to countries with which we had trade agreements increased more than exports to other countries. Moreover, the exports of items on which tariff reductions had been obtained increased more than exports of other products. There was also an increase in imports. The agricultural commodities involved in the increase in imports were those needed either because they are not produced in the United States or are not produced

here in sufficient quantity for United States needs. The importation of items directly in competition with American agricultural products increased relatively little.

On the basis of experience under the program, there has been worked out a method of dealing with cases of unforeseen injury or threat of injury to domestic industry. This is the escape clause, which enables us in any case where producers sustain or are threatened with injury due to operation of the agreement to suspend or withdraw the concession made. This clause will be included in all reciprocal trade agreements to which the United States become a party.

The previous Congress changed the Reciprocal Trade Agreements Act in a way that makes it more difficult to operate. These changes do not improve the procedures under the act either from the point of view of accomplishing its objectives or of preventing injury to United States producers. I should like to support H. R. 1211, which would restore the legislation substantially to its previous form.

Sincerely yours,
CHARLES F. BRANNAN,
Secretary.

THE SECRETARY OF COMMERCE,
Washington, January 25, 1949.
HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives,
Washington, D. C.

DEAR MR. DOUGHTON: I understand that your committee has begun public hearings on H. R. 1211, the reciprocal-trade-agreements legislation. Although I do not care to appear before the committee to speak on the bill, I do wish to have the views of the Department of Commerce included in the record of the hearings.

The history of this legislation is well known to your committee and the policies it represents need not be elaborated. There is no doubt but what the disturbed conditions of world trade arising from World War II and the conditions which have existed since then have not been peculiarly favorable toward securing the fullest benefits from these policies. However, it does seem clear that the tariff adjustments which have resulted have benefited our consumers at a time when supplies were short. The concessions received from other countries have also been of significance to some of our exporters.

I should like to urge that the authority to conclude trade agreements under this legislation be extended for at least 3 years from June 30, 1948. I also endorse the proposal that this extension be in substantially the same form as the act prior to the 1-year renewal last spring. The former act was tested in practice and enabled the administration to carry out effectively the intent of the Congress.

Sincerely yours,
CHARLES SAWYER,
Secretary of Commerce.

THE SECRETARY OF DEFENSE,
Washington, January 28, 1949.
HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives.

MY DEAR MR. CHAIRMAN: I would like to offer a statement of the position of the National Military Establishment in connection with the hearings which your committee is presently conducting on the extension of the Trade Agreements Act.

The Military Establishment considers that the Trade Agreements Act should be renewed. It is considered that such a step is in the interest of national security both in the immediate and in the long-term sense.

The stated position is the position of the Munitions Board. For greater detail, I attach a staff analysis by the staff of the Muni-

tions Board, prepared at my request, which considers the various interests of the Military Establishment in the extension of this legislation.

Sincerely yours,

JAMES FORRESTAL.

STATEMENT PREPARED BY THE STAFF OF THE
MUNITIONS BOARD

NATIONAL SECURITY AND THE TRADE AGREEMENTS
ACT

The extension of the Trade Agreements Act in 1945 provided that the War and Navy Departments should be represented on the Trade Agreements Committee. The extension in 1948 substituted representation by the National Military Establishment. Experience since 1945 has proved that this representation has proved valuable by providing a direct expression of opinion on national security in trade-agreement negotiations. It has also emphasized the importance of the trade-agreement program to national security.

1. The trade-agreements program helps the United States meet its problems in strategic commodities: The National Military Establishment has an obvious and well-recognized interest in strategic commodities. Some of these commodities are produced in adequate quantities in the United States but for others we are dependent in whole or in part upon supplies from foreign countries. For those which are produced in the United States it is sometimes necessary to balance the desire for a large-scale current production to maintain a strong domestic industry with the conflicting desire for adequate emergency reserves. World War II seriously diminished our reserves at the same time that it made clear that the demands of war upon strategic commodities have greatly increased and that the problems of overseas transportation may be serious. As a result the Congress provided for stock piling and later that the expenditures for Economic Cooperation Administration be used in part to aid the stock piles.

Negotiations under the Trade Agreements Act can and have been used to reduce United States tariffs on strategic commodities where it was desirable to increase supplies from foreign sources and in a few cases to reduce or eliminate the export duties or restrictions of other supplying countries. It is desirable that the authority to take similar action in the future be preserved.

2. The trade-agreement program helps keep our national economy strong: The United States is fortunate enough to possess a large domestic market which allows many commodities to be produced efficiently on a large scale. These strong domestic industries frequently produce commodities which other countries like to buy if they have the dollar exchange to do it, since they can purchase them from us more economically than they can produce on a small scale for their own more limited market. Often they can in turn sell us other commodities which they can produce efficiently because they possess the natural resources or the type of labor required. Even at present, and to a greater extent when the emergency programs of assistance come to an end, our ability to export will be limited by the ability of others to sell to us.

Our national security planning is largely based on our industrial capacity. Its size and its ability to be mobilized quickly and effectively for the production of supplies and equipment needed by the armed forces form one of our greatest bulwarks. Our machine-tool industry, our automobile industry, and our radio industry are all cases in point. They are also examples of industries which are in part dependent upon exports and which have benefited from the trade-agreements program in the past.

The trade-agreements program is so designed as to permit flexibility in operation. It can be used to encourage exports and imports and can also be used to limit the

amount of goods received from foreign countries. For example, the program offers an excellent means of protecting those industries considered vital to the national security by the retention of tariffs. The National Military Establishment member on the interdepartmental committee which administers the law has frequently made representations of this nature in the interest of national defense. Natural rubber has long entered the United States free of duty, but in trade agreements this country has retained the right to restrict imports of natural-rubber products in order to protect synthetic-rubber production. Through the efforts of the Military Establishment provisions of this nature with respect to rubber have been included in the ITO charter as well as the general agreement on tariffs and trade.

3. The trade-agreement program is an aid to friendly countries: The United States is today a strong proponent of multilateral world trade on a nondiscriminatory basis. Many countries which formerly favored such a policy are lukewarm toward it at present because of their postwar difficulties in trade and exchange. Our trade-agreement program buttresses our policy position, strengthens the economies of countries friendly to us and offers them an avenue of escape from the maze of international discriminations into which the world economy might so easily deteriorate.

The United States, by implementing the Marshall plan, has proved itself willing at considerable cost to aid the economies of friendly countries. But this is a temporary expedient looking toward their getting firmly upon their own feet again. That result will depend in no small part upon their access to our market, which is aided by the trade-agreement program. A healthy world economy is of interest to the United States for national security as well as for other reasons.

DEPARTMENT OF LABOR,

OFFICE OF THE SECRETARY,

Washington, January 28, 1949.

HON. ROBERT L. DOUGHTON,

Chairman, Ways and Means Committee,

House of Representatives,

Washington 25, D. C.

DEAR CONGRESSMAN DOUGHTON: As one of the departments which have been directly involved in the administration of the Trade Agreements Act, the Department of Labor would like to place its views before your committee in connection with consideration of the act's extension.

I need not dwell at length on the interest of American workers and their families in the continuation of the trade-agreements program. High levels of world trade mean high standards of living at home, making available to labor those materials and products that can be produced most efficiently abroad, and making available to workers abroad, both for consumption and for economic development, what we produce in the United States. If we are to participate in the development of productivity and living standards abroad in the manner outlined by the President in his inaugural message, we must surely visualize a continually expanding stream of multilateral trade.

In the opinion of the Department of Labor, an immediate extension of the Trade Agreements Act is desirable to facilitate the negotiations for which the administration is now preparing, and thereby broaden the coverage of the general agreement on tariffs and trade. The present duration of the act is too brief to assure reasonably adequate accomplishment within its term.

It is also the Department's opinion that the 1948 amendments to the act which established the "peril point" mechanism should be removed, and that the method for the negotiation of agreements should revert to the procedure of fully cooperating interde-

partmental machinery previously in use under the statute. The Department of Labor believes that, insofar as tariffs are concerned, the well-being of workers and their families in the United States can be adequately protected through such machinery.

I should also like to call your attention to one other respect in which the language of the act might be improved. It is now provided that the President shall seek information and advice, in connection with the negotiation of a trade agreement, from several Government agencies specifically named, and from "such other sources as he may deem appropriate." The Department of Labor has been added by Executive order to the group of agencies specifically mentioned by name. Since 1947 the Department of Labor has been represented on the Interdepartmental Committee on Trade Agreements, and since 1948 on the Committee for Reciprocity Information. The inclusion of the Department of Labor among the agencies specifically mentioned in the statute would make clearer to the general public the broad base upon which the trade-agreements program is administered.

It has been impossible to effect clearance of this letter with the Bureau of the Budget prior to its transmittal to you.

Yours very truly,

MAURICE J. TOBIN,
Secretary of Labor.

ECONOMIC COOPERATION

ADMINISTRATION,

Washington 25, D. C., January 27, 1949.

The Honorable ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,
New House Building, Wash-
ington, D. C.

DEAR MR. DOUGHTON: Enclosed please find a statement of ECA's views on the trade-agreements legislation now before Congress.

Sincerely,

PAUL G. HOFFMAN, Administrator.

ECA'S POSITION IN REGARD TO THE FORTHCOMING
RECIPROCAL-TRADE-AGREEMENTS LEGISLA-
TION

ECA strongly supports the trade-agreements legislation now before Congress. In line with the over-all objectives of the Foreign Assistance Act of 1948, ECA is especially concerned with accelerating the export of goods from European countries to all foreign markets, including the United States, as a means of enabling these countries to balance their international payments and so reduce the assistance they require from the United States. We support the legislation now pending before Congress in that it aids in this effort.

ECA's interest in reciprocal-trade-agreements legislation stems from the basic objectives of the Foreign Assistance Act of 1948 which are to furnish materials and financial assistance to the participating countries "in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title. . . ."

An increase in the world volume of trade is not only desirable but vitally necessary if the other countries are to recover their ability to pay their own way. The reciprocal-trade-agreements legislation now pending before Congress is a basic means to the expansion of world trade, for this legislation will give the President authority to adjust tariff rates and enter into tariff agreements (subject to definite limitations and procedures) for an extended period of time, thus affording continuity of action.

Six countries now receiving ECA assistance are already parties to the general agreement on tariffs and trade, a comprehensive tariff agreement entered into by the United States under the authority of the Trade Agreements

Act. Four additional countries which now receive ECA assistance will participate in tariff negotiations this coming April, looking toward accession to the agreement. The potential for recovery inherent in these negotiations depends upon favorable action by Congress in establishing the proposed trade-agreements legislation now pending before Congress.

[From the Christian Science Monitor of January 26, 1949]

EDITORIAL

IN THE NATIONAL INTEREST

The Reciprocal Trade Agreements Act should be restored to normal health as soon as possible. Indeed, in the interest both of a sound national economy and of international peace the State Department should be encouraged to engage in even more vigorous efforts to reduce trade barriers.

This newspaper has steadily supported the Hull policy of carefully exploring specific measures for broadening mutually beneficial trade. The method of permitting the State Department to investigate, hear objections from domestic producers, and negotiate reciprocal agreements has seemed to us vastly superior to the politics-ridden, logrolling, tariff-making Congress has too often indulged in. The old system generally resulted in higher and higher barriers because favors were granted to one local interest after another as against the welfare of the Nation as a whole.

One of the greatest advances under the reciprocal policy was made in 1947 when the United States signed an agreement with 22 other nations covering tariff rates on 45,000 items. Then last summer Congress reversed the whole trend. It extended an emasculated act for only 1 year—to await further attention when the Republicans had taken over both White House and Capitol and had reconciled their differences. The last three Republican Presidential candidates had supported the reciprocity idea—which had good Republican antecedents. But a majority of Republicans in Congress had clung to protection.

We opposed the bill passed by the Eightieth Congress. It reflected the division and confusion within the Republican Party and could be regarded only as a most unsatisfactory expedient. Its very temporariness made planning and negotiating most uncertain. And in the main it expressed the old protectionist doctrine. It harked back to the idea that foreign goods should not be allowed to enter the country if they undersold a domestic producer—no matter whether they benefited American consumers or enabled foreign consumers to buy goods other American producers had to export. It appeared to give no weight to over-all national interest or to trade's effects on international peace.

Congress never had any popular mandate for this backward step. It would be well now to return promptly and firmly to the policy of promoting trade. We welcome President Truman's request to Congress to renew the Trade Agreements Act for 3 years. We trust the House Ways and Means Committee will not be thrown off by the efforts of a few Republican die-hards to cast suspicion on the State Department and to link the Hull policy with communism. We hope the extreme nature of its unworthy effort only reflects weakness in the protectionist position.

For the necessity of lowering trade barriers has become increasingly clear as America's new creditor position has become clear. The interests of farmers and of much of the business community are now directly lined up behind efforts to find foreign markets for American goods. An intelligent tariff policy is required to supplement the Marshall plan in easing the dollar famine abroad. It is equally essential to undergird with economic cooperation the political and potential mili-

tary cooperation outlined in the Atlantic security pact.

[From the Mobile (Ala.) Register of January 31, 1949]

INDEED PUBLIC SENTIMENT APPROVES HULL-TYPE RECIPROCAL-TRADE POLICY

House Ways and Means Committee hearings are scheduled to be resumed Monday on legislation to free the reciprocal-trade-agreements program of the shackles placed on it by the Republican-controlled Eightieth Congress.

Meanwhile Representative ROBERT L. DOUGHTON, North Carolina Democrat, gave pointed answer at week end to charges by Representative DANIEL A. REED, New York Republican, that the Democratic majority on the committee has engaged in "steamroller tactics."

Mr. DOUGHTON is chairman of the committee, and Mr. REED is the top-ranking Republican member.

According to International News Service, Chairman DOUGHTON said with respect to his Republican colleague's criticism:

"These baseless attacks appear to be an attempt to camouflage the historic and consistent Republican hostility to the reciprocal-trade program, which is now thoroughly understood and overwhelmingly accepted and approved by the American people."

"In contrast with the procedure of the Committee on Ways and Means in the Eightieth Congress, when a subcommittee allotted 1 week for hearings behind closed doors, all interested persons have been granted the opportunity to be heard in open session, with the public and press present."

"There is absolutely no foundation for the charge that unfair tactics are being used in our committee."

Congressman DOUGHTON can find confirmation in every direction for his statement that reciprocal-trade policy has overwhelming approval of the people. Republicans in the Eightieth Congress who had a hand in hamstringing the trade program cannot justifiably feel proud of their performance.

Urging prompt removal of the handicaps fashioned by the preceding Congress, the Christian Science Monitor says:

"The Reciprocal Trade Agreements Act should be restored to normal health as soon as possible. Indeed, in the interest both of sound national economy and of international peace, the State Department should be encouraged to engage in even more vigorous efforts to reduce trade barriers."

"This newspaper has steadily supported the Hull policy of carefully exploring specific measures for broadening mutually beneficial trade. The method of permitting the State Department to investigate, hear objections from domestic producers, and negotiate reciprocal agreements has seemed to us vastly superior to the politics-ridden, logrolling tariff-making Congress has too often indulged in. The old system generally resulted in higher and higher barriers because favors were granted to one local interest after another as against the welfare of the Nation as a whole."

"One of the greatest advances under the reciprocal policy was made in 1947 when the United States signed an agreement with 22 other nations covering tariff rates on 45,000 items. Then last summer Congress reversed the whole trend. It extended an emasculated act for only 1 year—to await further attention when the Republicans had taken over both White House and Capitol and had reconciled their differences. The last three Republican Presidential candidates had supported the reciprocity idea—which had good Republican antecedents. But a majority of Republicans in Congress had clung to protection."

"We opposed the bill passed by the Eightieth Congress. It reflected the division and

confusion within the Republican Party and could be regarded only as a most unsatisfactory expedient. Its very temporariness made planning and negotiating most uncertain. And in the main it expressed the old protectionist doctrine."

As the Wall Street Journal sees it, "What looks like the preliminaries to an old-fashioned wrangle over tariff protectionism are going on in hearings of the House Ways and Means Committee."

The Journal goes on to comment:

"This newspaper believes that tariff protection, as a principle or a theory, has outlived most of its usefulness. We think the part it plays in maintaining high living standards in this country has been much exaggerated."

"Industries which have been built up in the shelter of a tariff wall can be injured, at least temporarily, when the wall is removed or lowered. But by and large, neither our employers nor their employees, fortified as they are with the world's best power tools and production methods, should fear the competition of cheap foreign labor."

And the Philadelphia Evening Bulletin says in commenting on reciprocal trade:

"One of the misdeeds of the Eightieth Congress was to throw doubt on the continuance of our policy of lowering excessive tariffs by reciprocal-trade treaties. The Republican Congress did not kill the Trade Agreements Act but it renewed it only for 1 year, and added complications in procedure which make the conclusion of trade treaties with other countries more difficult."

The action taken by the Eightieth Congress was indeed a blundering step in the field of trade policy. The present Congress can render a genuine service by correcting the error.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. To keep the agricultural picture straight, did I correctly understand the gentleman to say that all farm organizations are in favor of it?

Mr. DOUGHTON. I did not say all of them. I do not know how many there are. The National Farmers Union, the American Farm Bureau Federation, and a number of them, I will say the preponderance of them, and of their members, favor this policy. I do not think the gentleman will dispute that, and I know he cannot refute it.

Mr. MURRAY of Wisconsin. I just want to keep the discussion factual. The Grange says we had better keep what we have until we get something better.

Mr. DOUGHTON. This policy has been proven by 14 years of successful operation. The gentleman knows that. Compare the national income of the United States now with what it was in 1934. The income of agriculture has increased over fivefold under the reciprocal-trade policy. Every occupation and business in the United States has prospered. Manufactures have increased sevenfold. What more proof does the gentleman want?

Mr. MURRAY of Wisconsin. The only proof that is, is that we should be in a war all the time.

Mr. DOUGHTON. No; that is the gentleman's opinion.

Mr. MURRAY of Wisconsin. That is a fact, too. I read their testimony, and the Farm Bureau is for it, but they want to keep section 22 of the Triple-A Act so

they can put an embargo on any time they want to, which your administration has done time after time for products raised south of the Mason and Dixon's line.

Mr. DOUGHTON. What does my friend want to do, abandon the reciprocal-trade program and go back to the Smoot-Hawley logrolling, back-scratching program, whereby the beneficiaries of the high tariff wrote the schedule?

Mr. MURRAY of Wisconsin. The reciprocal-trade policy as well as the tariff policy, from the viewpoint of international relationships, is deadlier than a dodo bird, because so many things have happened since we started out with the reciprocal-trade program.

Mr. DOUGHTON. Would my friend abandon it and go back to the old system, or would he continue it with such amendments as might be demonstrated by experience to be necessary?

Mr. MURRAY of Wisconsin. I would leave the situation the way it is at the present time. We have a tribunal, the Tariff Commission, to which you can go and tell your story. I do not believe in delegating the power to the President to give away the rights of the people and to have control over every grocery bill in this country and over every farm income in this country.

Mr. DOUGHTON. Neither do I, but under this Tariff Act the farmers are given an opportunity to present their case. And if they are injured, or even threatened with injury, then under the escape clause they can have the matter reconsidered and have the agreement modified, or have the whole thing rescinded. The gentleman knows that. Every single safeguard under Heaven was provided in this bill. Those who believe in the old law are, like Ephraim of old, "joined to their idols." They cannot be convinced. You just cannot ever convince them that their idea of the old logrolling tariff is not sound policy.

Mr. MURRAY of Wisconsin. What the gentleman says may be so.

Mr. DOUGHTON. I have not yet found where my friend stands.

Mr. MURRAY of Wisconsin. I told you where I stood. I stand for leaving it alone the way it is at the present time.

Mr. DOUGHTON. You mean the way it was changed by the 1948 act, or the original act?

Mr. MURRAY of Wisconsin. I mean the way it is right now in the 1948 act. You had better leave it alone.

Mr. DOUGHTON. That expires in June.

Mr. MURRAY of Wisconsin. All right, then you had better extend that act the way it stands now.

You say the farmers know what is happening down here. How many farmers know right now that they recently held hearings to lower the duty on foreign types of cheese? How many farm organizations were represented at the hearings?

Mr. DOUGHTON. Everyone had an opportunity to be heard. If they were not heard it is their own fault. The public were invited to attend these hearings and an open invitation was extended by publication in the press and

elsewhere so that everybody could be heard.

Mr. MURRAY of Wisconsin. Suppose they do not read the Washington papers.

Mr. DOUGHTON. Why were you not at the hearings? You did not come.

Mr. MURRAY of Wisconsin. I was there.

Mr. DOUGHTON. I beg the gentleman's pardon. You mean you attended the hearings of the Committee for Reciprocity Information—not the hearings of our committee.

Mr. MURRAY of Wisconsin. Surely I went there, and testified about lowering the duty on cheese. I surely did.

Mr. DOUGHTON. Oh, you talk about cheese. You talk about this, that, and the other things. You never consider the innocent American consumer. You never consider our surpluses. You never consider any of those things. The interests of all groups must be considered together. The domestic consumer, the exporter, the importer, and the American public.

Mr. MURRAY of Wisconsin. Do you mean to tell me it is part of the Golden Rule policy to have this administration during all this time talking about Golden Rule and the good-neighbor policy and all that goes along with that to erect the most vicious—now get this—the most severe and most vicious trade barrier ever erected in the history of our country and that is when your administration passed a bill which is on the books today which says that you cannot even send a handful of tobacco seed out of this country? Is that part of the good-neighbor policy?

Mr. DOUGHTON. No. That was an act of Congress. That was not done under the reciprocal-trade authority.

Mr. MURRAY of Wisconsin. Did you see anything in the paper about any opposition by the Secretary of State?

Mr. DOUGHTON. I do not see everything that is in the paper, and I do not suppose that my friend does.

Mr. MURRAY of Wisconsin. Possibly that was part of the Golden Rule program of the present administration.

Mr. DOUGHTON. Of course the gentleman knows that we remember things that we want to remember, and the things that we do not want to remember we shut our eyes on.

Mr. MURRAY of Wisconsin. That is right; and until this administration takes the tobacco-seed embargo off the books there is no use of President Truman talking about reciprocal trade.

Mr. DOUGHTON. The gentleman would seem to know more than the people of the country know. The people of the country, by the November election, showed what they believe. I do not say that they were so enthusiastic about the Democratic Party, but they just would not have the Republican Party. They remembered how they were wrecked under the Hoover administration, and what happened in the Eightieth Congress. The people remembered what they lost, and how they suffered under Hoover, and they realized what they had gained and what they enjoyed in 1948. There is no question as to what their position was.

Mr. MURRAY of Wisconsin. That is the second point, and I want to give you an answer now so that it will be in the book. If your administration does not watch its step it is going to give the people some Truman prosperity that is going to be similar to the Hoover prosperity you complain about.

Mr. DOUGHTON. The gentleman talks about my administration. It is not my administration, it is the people's administration. It is the administration of the American people by an overwhelming majority. And when the gentleman talks like that, he is jumping in the face of the enlightened judgment and intelligence of a majority of the American people.

Mr. MURRAY of Wisconsin. President Truman is a minority President.

Mr. REED of New York. Mr. Chairman, the bill H. R. 1211 here for consideration is dangerous to the safety of our economy and to our national security.

It comes to the House with vital facts suppressed. I say this because the Democratic majority of the Ways and Means Committee flatly refused our request to invite the Military Establishment to appear before the committee and state whether or not the jeweled-watch industry, together with its respective skilled precision technicians are vital to our national defense.

We, the Republican minority, know that our domestic jeweled-watch industries have been destroyed by foreign competition to such an extent that today only two of them remain solvent. Therefore we tried, even by a record vote, to have a representative of the Military Establishment invited or requested to appear and testify before our committee touching on the importance of the jeweled-watch industry to our national defense, but our motion to obtain this vital information from this official and authoritative source was defeated by the Democrats.

There are known to be more than a hundred other strategic and critical industries located throughout the United States. The products of these industries are absolutely necessary to the defense of our country. I claim that such strategic and critical industries must not be destroyed or even so crippled that they will be inadequate for our defense purposes. Many of these industries are new and in need of every possible assistance to insure their continued success and solvency. I say with all the force and sincerity at my command that the life of these strategic and critical plants must under no circumstances be placed in jeopardy, whether from enemies within or from enemies without the United States. These vital plants and skilled workmen must not be sacrificed for political or diplomatic purposes. Alleged trade advantages, whether export or import, must not take priority over national security.

We all know that enemies from without will use every means to cripple, weaken, or destroy our long list of strategic and critical facilities. I say that when legislating, as we are today, relating to the preservation of our national

security, it is no time to remove the safeguards to our national defense which H. R. 1211 proposed to do.

We hear much about the necessity of making tariff concessions in trade agreements to build up exports. But, if we weaken or sacrifice our critical and strategic defense industries to gain a temporary increase in exports, we strike a blow at the very heart of our national security. We must not let the heat of political debate blind us to the reckless folly of such a disastrous course upon which the Democratic majority now appears to be embarked.

Heretofore this Nation has been blessed with a strong foreign relations policy free from political bickering. One of the principal architects of that policy was Republican Senator VANDENBERG, of Michigan. Other prominent Republicans in the Congress played dominant roles in cementing such a policy. But since his recent election the President has evidenced a desire to abandon this bipartisan program. In the past few weeks important decisions have been made respecting our international affairs without the customary Republican participation or advance knowledge. Mr. Truman has stated that his proposed extension of the Reciprocal Trade Agreements Act is one of the cornerstones of the administration's foreign policy. He neither encouraged nor accepted Republican cooperation in the formulation of that trade policy. It becomes obvious that he is scrapping the desirable bipartisan handling of foreign affairs and that henceforth the Nation's national and international policies will be dictated by one man in the White House who increasingly refers to himself as the Commander in Chief.

Obviously also, because the New Deal needed a commander in chief, Mr. Truman feels that the Fair Deal needs one, too. A commander in chief is much more important in one-man government than is a mere President, and it is much easier for a commander in chief to assert nonexistent inherent powers over the Nation and its people such as Mr. Truman asserted in connection with his right to deal with labor-management strife without specific congressional authorization and without expressed constitutional authority. During the past 16 years we have witnessed scores of attempts to circumvent the Congress. Apparently these attempts are to continue, and during the next 4 years we may expect to see a new Commander in Chief riding around on a rejuvenated donkey looking for more inherent powers.

As a direct consequence of H. R. 1211, the President will be deprived of the most effective bipartisan fact-finding machinery ever created by law to serve the President and other governmental departments in the conduct of our foreign trade agreements program.

A trade-agreement concession based upon inaccurate or incomplete information as to its possible impact on domestic producers will be a menace to the stability of our economy and to our national defense.

I wish to call to your attention that when the trade-agreement legislation

was under consideration in 1934, the proponents of it urged its adoption as a means of increasing exports. The adoption of it, however, did not increase exports.

The failure of the Trade Agreements Act of 1934 to increase exports came as a shock to its advocates. They were stunned and exasperated at their failure. But next came Hitler, then Mussolini, and finally Japan to their rescue. Hitler needed war materials to build up his military establishment for war. To his surprise he found there would be no objection on the part of the New Deal administration to his purchasing steel, refined copper, scrap copper, iron, and steel scrap.

The raid on our essential war material, in an attempt to justify the State Department's trade agreements, started in 1936 with the shipment of enough steel plate to enable Hitler to build more than 150 destroyers, or 3,000 tanks, and innumerable jeeps. No wonder Hitler thought the United States would remain neutral. But if not fully convinced of the neutral and friendly attitude because of the steel shipments to him, could he doubt the sincerity of the New Deal administration when it suffered and permitted the export to him during the years 1936, 1937, 1938, and 1939 of refined copper amounting to over 330,000,000 pounds.

"See how our exports are increasing under the trade-agreement program," said the State Department officials.

Then followed the exports to Hitler by the United States during the years 1936 to 1939, inclusive, of scrap copper amounting to over 72,000,000 pounds. When bragging about the growth of exports, the character of the exports was suppressed but the amount of the exports in dollars was emphasized.

We were getting short of iron and steel scrap, yet the administration group had to show exports to uphold the purpose of their trade agreements, so there was also exported to Hitler during 1936, 1937, 1938, and 1939 a total of over 340,000 tons of iron and steel scrap. Our boys came in personal contact with these export materials on many a battlefield in Europe.

The zeal of the State Department in the early days of the trade-agreement program knew no bounds. Exports was the only battle cry for freedom. The other propaganda slogan was perpetual peace throughout the world under the leadership of the State Department, promising peace to all who would crusade for the trade-agreements program. Yet, at the very time this hope was being held out to gain support from numerous organizations of women and anxious mothers seeking world peace, more than 10,000,000 long tons—2,240 pounds—of United States iron and steel scrap was exported during the years 1936 to 1940, inclusive, to Japan. How well I remember the day the State Department officials went into an urgent huddle with the Ways and Means Committee and asked to have the tariff removed on some of these materials. Why? Because the United States had made itself so short of these essential war materials that we had

to immediately comb every inch of Central and South America and the islands in the Caribbean to collect old track, old sugar mills and junk piles, wherever they could be found, to replace the exports to our enemies.

During the years 1936 to 1941, inclusive, when World War II was slowly creeping upon us, could the Army, the Navy, the Department of Agriculture, or Commerce, or any other executive department of the Government, check this madcap policy to the public by the State Department and sold under the honeyed words of "reciprocal trade." Yet today in the very period which may be leading to the fatal hour of all mankind, the Democratic majority would destroy the Tariff Commission now charged with the duty of advising the President, and hence the State Department, of the point below which tariff reduction would imperil the effectiveness of our own industries. The Democratic majority would turn from the bipartisan expert Tariff Commission to the State Department as the alpha and omega in the conduct of our trade-agreement program.

Who organized and propagandized the Citizens Reciprocity Committee to put pressure on Congress to defeat the 1948 Trade Agreements Extension Act in which every safeguard to our industries and our national security was included?

This organizer of the country-wide citizens' pressure group was, and is no other than one Alger Hiss, now under indictment for perjury. Have there been any charges made of an infiltration of spies and Communists in the State Department?

I want to call your attention to one matter because the chairman of the Committee on Ways and Means called attention to the wonderful attributes of character of one Charles Taft which, of course, I do not question; however, in his zeal he said that Alger Hiss was not connected with the State Department, that he was not employed by it. Yesterday I asked for copy of a report from the Un-American Activities Committee on a few of the Communists who helped write our trade agreements and I want to read some of these to you at this point.

First as to Victor Perlo:

VICTOR PERLO

Testimony of Victor Perlo, August 9, 1948: "I think I was officially an alternate member on the Committee for Reciprocity Information and the Trade Agreements Committee, which were identical or substantially identical in membership. These were interdepartmental committees which took care of all of the technical work in the preparation of trade agreements under the Reciprocal Trade Agreement Act and also to a certain extent a lot of preparatory work for the International Trade Organization."

On the same day, Miss Elizabeth Terrill Bentley, a former member of the Communist espionage ring, confronted Mr. Perlo and identified him as a member of this ring while she was active. When questioned on these charges Mr. Perlo refused to answer charging that his rights under the first and fifth amendments were being violated and that such answer "might tend to incriminate or degrade me." Perlo was also identified as a member of this ring by Whittaker Chambers on August 3, 1948.

We go next to Henry J. Wadleigh:

HENRY J. WADLEIGH

Testimony of Henry J. Wadleigh, December 9, 1948: "I was in the Division of Trade Agreements from 1936, until the war in Europe broke out . . . (superiors were) Henry Grady in the Trade Agreements Division, then Harry Hawkins, then Leo Pasvol-sky, special assistant to the Secretary of State, and in Italy, Henry Grade . . . Mr. (Francis B.) Sayre was Assistant Secretary in charge of the Trade Agreements Division when I first was employed there. Mr. Acheson later took Mr. Sayre's place."

On December 6, 1948, in an executive meeting of the Committee on Un-American Activities, Whittaker Chambers identified Julian Wadleigh (Henry Julian Wadleigh) as a source from which the former received documents for transmission to representatives of the Soviet Military Intelligence. When questioned by the Committee on Un-American Activities on December 9, 1948, Mr. Wadleigh refused to answer all questions dealing with such activity on the ground that such testimony might tend to incriminate him. Mr. Wadleigh has since been a witness before a Federal grand jury in New York and it is our understanding that he has been a cooperative witness.

We come now to Alger Hiss, as to whom Mr. Taft referred as not employed in the State Department:

ALGER HISS

On December 23, 1948, Mr. Francis B. Sayre, former Assistant Secretary of State, who was in charge of the Department's Division of Trade Agreements, testified that on April 23, 1936, he recommended that Alger Hiss be appointed as his assistant in the Department of Trade Agreements. He further testified that Mr. Hiss' duties included the legal preparation of trade agreements. Hiss was transferred to another division of the State Department on January 16, 1942.

Attached herewith is the second report of the Committee on Un-American Activities on Soviet Espionage Within the United States Government. A study of this report which contains facsimiles of State Department documents emanating from the Department of Trade Agreements and, according to Mr. Chambers, furnished to him by Alger Hiss and Julian Wadleigh for transmission to the Soviet Military Intelligence agents, will disclose to some extent the proportions of this leakage of information.

Alger Hiss is now under indictment by a Federal grand jury in New York for perjury.

I have, of course, a bound volume from the same source, which I have not the time to read now, but anybody who wants to protect the United States of America and its security can get that report and read it and see just where this whole plan is taking us.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman has indicated that he has given this matter a great deal of study. Now, quite a number of representatives of the State Department appeared before our committee, and some of the things that the gentleman has stated in his statement here came out before the committee. I want to ask this: Did the gentleman see any effort on the part of anybody connected with the State Department or anybody connected with the majority party in this House that would indicate that they ever intended to get rid of those people down

there, or make any effort whatever to get rid of them, and is it not a fact that the only people that they have gotten rid of are the people uncovered by the Committee on Un-American Activities of this House?

Mr. REED of New York. I thank the gentleman for that inquiry. The State Department has known of the situation since 1937. When I asked Mr. Clayton before our committee how many experts he was taking abroad to the Geneva negotiations, he has said there were either 101 or 102, I have forgotten which, and I asked him to put in the record the names of the 101 or 102 with their addresses. I had those checked by the department to which I turned on this subversive proposition, and nine of those people were going over there, and yet Mr. Clayton said at the time that they could not let us have the information that we wanted with reference to the things that we were going to trade on.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Arkansas.

Mr. MILLS. Would the gentleman please name the committee, the department, to which he turned to obtain this information?

Mr. REED of New York. The FBI. Mr. MILLS. Do I understand that the FBI informed the gentleman that there was some question concerning the nine men at the Geneva Convention?

Mr. REED of New York. They had all been connected in some form or other with the Communist Party.

Mr. MILLS. Would the gentleman identify for the RECORD the names of those individuals?

Mr. REED of New York. No; I would not.

Mr. MILLS. Has the gentleman submitted any statement involving any one of the nine to the State Department?

Mr. REED of New York. I have not.

Mr. MILLS. The gentleman has not given the State Department the benefit of that information?

Mr. REED of New York. I have not, and for a very good reason.

Mr. MILLS. I would certainly like to suggest to the gentleman that he do that at his earliest convenience.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. JENKINS. I would just like to interpolate this much. Why would it not be the duty of the State Department to find out?

Mr. REED of New York. They should. They can find it out if they wish to, but they just do not care.

I want to point out in that connection that of all the spots in the United States absolutely vital to our security, the very heart of it, is in this question of the State Department. Any country that wanted to upset or overthrow this country can spend any amount of money, make any amount of effort to get people in there to write down the tariff on our vital and critical defense materials.

Mr. JENKINS. I am sure the gentleman does not want to give the impres-

sion, and I do not either, that everybody in the State Department is wrong.

Mr. REED of New York. Not at all.

Mr. JENKINS. All the gentleman is trying to say, I dare say, to the committee, is that there are a lot of people down there that are not true Americans, especially in connection with the ideas of commerce.

Mr. REED of New York. I will say this, that in the State Department there are any number of fine, splendid, patriotic Americans, and it is not fair that they should be permitted to be smeared by what everybody in this country is beginning to know, that they have been harboring subversive elements there and passing out information that is vital, and nobody will ever know how many of our boys went to their death on the battlefields of Europe because of the information peddled out by these subversive elements.

Is the State Department per se a fact-finding body? Should the State Department be legally clothed with the attributes of infallibility in furnishing information and advice to the President in negotiating trade treaties involving the national economy of our country?

Yet, this is what H. R. 1211 would do.

I call attention to the membership of the House that the 1948 act, which the Democratic majority has been called upon to repeal, made only procedural changes in the conduct of our trade-agreements program despite all false accusations to the contrary. Furthermore, let me say that we stand squarely behind these procedural changes which are centered around the so-called peril-point report. The peril-point report is nothing more than a report made by the Tariff Commission specifying the points below which it would be perilous to our domestic economy to go in reducing tariffs. The peril-point report was the outgrowth of exhaustive study and thought and was specifically designed to assist the State Department in adhering to the policy of not injuring any segment of our domestic economy in the conduct of the trade-agreement program. The reasons which dictated the creation of the peril-point report have been justified by subsequent events.

We of the Republican minority feel that it is urgent, as a bare minimum, to preserve this peril-point feature of the 1948 act by an amendment to H. R. 1211. No thinking patriotic American can oppose such an amendment which is essential to the preservation of our national economy and our national security.

In the Republican minority's proposed peril-point amendment to H. R. 1211, the only requirement is that the peril-point report of the Tariff Commission be submitted to the President for his guidance. He should have it prior to negotiating a trade agreement. He can completely ignore it and will not have to tell the Congress that he has done so. It will be submitted for his confidential information only.

Why is it so essential that the peril-point report of the Tariff Commission be made available to the President in his

trade-agreement negotiations with foreign nations? It is because there is no other fact-finding agency of the Government that is so well equipped by ability and long experience, operating in a strictly bipartisan, scientific capacity as the Tariff Commission to give this important information to the President.

Since the organization in 1916 of the Tariff Commission with this special provision for bipartisan representation, the Commission has furnished to the President, to the Congress, and to the general public impartial facts and unbiased information on all tariff, foreign trade, and foreign-trade policy questions affecting the United States and other countries of the world. In doing so over the past 32 years it has established a high reputation as a scientific fact-finding agency. Its reports are accepted by representatives of both political parties in Congress and by whatever President representing either party happens to be in the White House. This basic and essential information makes it possible to establish the policy for the Government on a more sound and adequate foundation and has proved quite satisfactory to both political parties.

The Commission, as is well known, had developed and has available a vast fund of information and rather complete files of statistical and technical information collected and analyzed and summarized over its 32 years of operation on each of the items of importation under the more than 800 paragraphs of the Tariff Act. Such information has been made available in published reports of the Commission not only to the President and to the Congress but to all other agencies of the Government. These reports show the conditions affecting the competition between the many thousands of imported articles under the various tariff rates in the Tariff Act and the like or similar articles of domestic production.

Any prudent President would welcome such a report from the Tariff Commission pointing out the proposed danger to our economy and national security that might result from reducing certain tariff rates below specified points.

The President and all members of the administration testifying before the Ways and Means Committee have said that they would operate the trade-agreements program so as not to injure domestic industry. This provision merely helps them to comply with their own stated objectives. It seems peculiar that if they are really serious in stating that they will operate the program so as not to injure domestic industries that they should in any way resent having the help of this well-established bipartisan fact-finding agency. Do they object to having the Tariff Commission make findings on these matters because they themselves, the President and the State Department, expect to make findings that will injure domestic industries and threaten the security of millions of our workers from Maine to California? Are they unconcerned by the fact that day by day more American industries are operating only part time? Unemployment is mounting; exports diminishing; competitive imports increasing?

Every thinking American who has any concern for the continued prosperity of our domestic economy, the well-being of millions of workers and the fulfillment of our international commitments to the freedom-loving peoples throughout the world must support two amendments to H. R. 1211.

Because we realize that we cannot save the 1948 act, we urge that one feature of this act be maintained. This is simply the requirement that the United States Tariff Commission furnish the President for his confidential guidance a report of its findings specifying the points below which it would be perilous to our domestic economy to go in reducing tariffs.

No one can claim this amendment to be a hampering restriction, and I accuse those who oppose this amendment with the deliberate attempt to sacrifice our domestic producers and the security of millions of our workers. Accordingly, I urge that H. R. 1211 be amended to retain the peril-point report, established by the Trade Agreements Extension Act of 1948.

I also urge that an amendment to H. R. 1211 be made providing that all existing trade agreements that do not now contain an escape clause to the same general effect as article XIX of the General Agreements on Tariffs and Trade be modified so as to incorporate such a clause.

The reason for this second amendment is that at the present time many industries whose tariff protection has been seriously reduced in agreements prior to 1943 are unfairly discriminated against because they are denied the privilege which other industries have of appealing for relief under the escape clause. All industries should, of course, have equal treatment and a chance to have their day in court. This inequitable situation is spotlighted by the plight of the jewel-watch industry. There is no escape clause in the Swiss trade agreement made in 1936. However, there is an escape clause in all trade agreements made subsequent to 1943.

The sole purpose of these two amendments is to better the procedure leading to the negotiation of foreign trade agreements to the end that our domestic economy will not be injured in accordance with the stated policy of the President.

I charge those who oppose these two amendments with the responsibility for the economic evils which will beset us by any ill-advised tariff reduction.

I want to repeat that essential facts relating to the issues involved in the whole trade-agreements program were suppressed by the action of the Democratic majority. The Republican minority sought to have the whole Ways and Means Committee, through its distinguished chairman, the gentleman from North Carolina, Representative DOUGHTON, extend an invitation to the Chairman and Vice Chairman of the Tariff Commission to appear to testify with reference to the role of the Tariff Commission to our domestic economy in the trade-agreements negotiations. This the Democratic majority refused to do, even by a record vote. This is an

astounding perversion of representative government. Thus, the Ways and Means Committee, the Members of the House, and the public are deprived of pertinent facts relating to the preservation of our domestic economy as well as our national security.

The testimony from a long list of witnesses before the Ways and Means Committee representing a large segment of our economy urged the retention of the peril-point report, and asked for an escape clause in all trade agreements. This testimony fell on the deaf ears of the Democratic majority of the Ways and Means Committee. What is the Democratic majority saying to the country when it ignores the peril-point amendment? The Democratic majority is saying, in effect: "We are not concerned with the conduct of our trade-agreements program. We have our must orders to obey."

If the peril-point report amendment to H. R. 1211 is disregarded by the Democratic majority, then every workman who has a stake in the continued prosperity of our Nation should hold the Democratic Party strictly accountable for the economic evils and disastrous consequences which will beset our national economy as a result of any ill-advised tariff reduction.

The Democratic majority may make light of the attempt to salvage the peril-point report and the proposed escape-clause amendment and vote against these two imperative safeguards, but devastating consequences will follow. This story illustrates my point; it was told by the distinguished lecturer John B. Gough:

"I remember riding from Buffalo to Niagara Falls, and I said to a gentleman: 'What river is that, sir?'"

"That," he said, "is Niagara River."

"It is a beautiful stream," said I, "bright, smooth, and glassy. How far off are the rapids?"

"Only a few miles," was the reply.

"Is it possible that only a few miles from us we shall find the water in the turbulence which it must show when near the rapids?"

"You will find it so, sir."

"And, so I found it, and that first sight of Niagara Falls I shall never forget. Now, launch your bark on that river; the water is smooth, beautiful, and glassy. There is a ripple at the bow of your boat, and the silvery wake it leaves behind adds to your enjoyment. You set out on your pleasure excursion. Down the stream you glide; oars, sails, and helm in proper trim. Suddenly, someone cries out from the bank: 'Young men, ahoy!'"

"What is it?"

"The rapids are below you."

"Ha, ha! We have heard of the rapids, but we are not such fools as to get into them. When we find we are going too fast, then we shall up with the helm and steer to the shore; we will set the mast in the socket, hoist the sail, and speed to land. Then on, boys, don't be alarmed, there's no danger."

"Young men, ahoy there!"

"What is it?"

"The rapids are below you!"

"Ha, ha!" We will laugh and quaff; all things delight us. What care we for the future? No man ever saw it. Sufficient for the day is the evil thereof. We will enjoy life while we may; we will catch pleasure as it flies. This is enjoyment—time enough to steer out of danger when we are sailing too swiftly with the current.

"Young men, ahoy!

"What is it?"

"Beware, beware! The rapids are below you!"

"Now you feel them! See the water foaming all around! See how fast you pass that point! Up with the helm! Now turn! Pull hard; quick, quick! Pull for your lives! Pull till the blood starts from the nostrils and the veins stand like whipcord upon the brow. Set the mast in the socket, hoist the sail! Ah, ah, it is too late; faster and faster you near the awful cataract, and then, shrieking, cursing, howling, praying, over you go."

Mr. Chairman, this proposal before us today vitally affects all Americans—the farmer, the working man, the consumer. It may well determine whether we go forward to a higher standard of living with high wages, full employment, and more production; or whether we blunder into another recession or depression with production curtailed and workers on relief. America's trade policies are too vital to the Nation's welfare to trust to the whims of one man however well-intentioned that one man may be.

And so we go on, and we strike the rapids, and we go over the cataract, as we have time and again, as result of these low tariffs. We had low tariffs in the Democratic Underwood bill. And when we got into the last war what happened? Six million men out of work. Not a bit of smoke coming from a smokestack in this country. They were putting up their soup kitchens everywhere all over this Nation. What was done? The Republican Party came into power. They had these low-tariff rates revised—not as low as you have got them now. We put in a tariff bill to protect our farmers, our workmen, our industries. It was not long thereafter until we had 6,000,000 people at work again and the smoke was coming out of the smokestacks.

We have been through this disastrous mill once. When you Democrats draw a picture of 1929 why do you not look back to the time of your Underwood low tariff and see what happened. I tell you this is an American question. It is not a political question at all. It is our own national defense and our own security that is the issue. When you see the type of people who are writing these trade agreements sitting on the inside, and you know the subversive infiltrations, and the evidence is so overwhelming I cannot understand why any person who loves America should wish to support H. R. 1211, and thus permit these subversive agents to barter away our safety. We know that for years Communists have infiltrated into our departments of Government, especially into the vital spots where they can drive a dagger into the heart of Uncle Sam.

Mr. CHRISTOPHER. Will the gentleman yield?

Mr. REED of New York. Yes; I yield.

Mr. CHRISTOPHER. I would like to ask you if, in 1932, when I was selling wheat for 35 cents a bushel, corn for 14 cents, and hogs for 3 cents a pound, and butterfat for 9 cents a pound, and eggs for 6 cents a dozen, and when a good milk cow would bring only \$15, if those products were right then and there being protected—and I said "protected"—by the highest tariff duties in the history of this country.

Mr. REED of New York. Let me tell you, sir, that was the aftermath of a Democratic war.

Mr. CHRISTOPHER. Oh, sure. You have always got to go off like that. You will not stand hitched.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield for a question.

Mr. LYNCH. I would like to know, after the gentleman has finished his discourse, in view of the fact that he has spoken against reciprocal trade agreements, and in view of the fact that he has spoken in favor of them, whether or not you are today in favor of or against reciprocal trade agreements as a principle.

Mr. REED of New York. Just as long as the State Department, like a nest of vipers—Communists, which I am sure you do not love—are on the inside, writing the trade agreements, I shall always be against them. When they are written by real Americans, as they should be, patriotic men like the gentleman who is addressing me, then it will be a different question.

Mr. LYNCH. I can understand the gentleman's point with respect to Communists, but, after all, has there been any evidence produced before the committee that Communists actually wrote or had any part in the writing of any reciprocal trade agreements, to the knowledge of the gentleman?

Mr. REED of New York. You heard what I read today.

Mr. LYNCH. Yes; I heard what you have said, but I have asked you whether or not there is any definite evidence that they actually had anything to do—these people who you say are Communists—actually were the persons in whose hands is placed the obligation of writing reciprocal trade agreements.

Mr. REED of New York. According to their own testimony. You do not need to have it in this record at all. The gentleman knows, and I have taken that position since 1934, that they should not have part in these agreements. I voted against them.

Mr. LYNCH. Mr. Chairman, will the gentleman yield for a further question?

Mr. REED of New York. I yield.

Mr. LYNCH. Is it not a fact that if the gentleman knew of any particular person who was associated with the Communist Party or with a Communist-front organization, if the gentleman knew that any such persons had to do also with the writing of the reciprocal trade agreements, does he not think in all fairness to the Congress that he should give the names of those persons?

Mr. REED of New York. Let me tell the gentleman that in the hearings in the Senate every effort was made to let them see the minutes, and they refused. That is in the hearings; a refusal by Mr. Clayton to let them see what was in the minutes.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, it has been my privilege to speak every time this subject has been considered here in the House. Realizing that time is limited and that many Members desire to speak, I shall ask your indulgence for a short time only on this occasion.

The pending bill, H. R. 1211, is in response to a message of the President of the United States and is a very important administration measure. It was favorably reported by a vote of 17 to 8 by the Committee on Ways and Means. I shall endeavor briefly to cover the provisions of the bill and then as time may permit to discuss the trade-agreements program. As will be observed by a reading of the bill, it contains six sections.

Section 1 embraces the title of the bill: The Trade Agreements Act of 1949.

Section 2 repeals the Trade Agreements Extension Act of 1948, this Republican measure to which they point with such pride on the other side of the Chamber. Section 2 repeals that act.

Section 3 of this bill provides that the period during which the President is authorized to enter into foreign-trade agreements under Section 350 of the Tariff Act of 1930 as amended is extended for a period of 3 years from June 12, 1948. This means it will be extended for the customary period of 3 years from the time the last extension expired.

Section 4 deletes from the preamble of the act of 1934 certain language which is no longer applicable and is not necessary to be included.

Section 5 simply provides that the Military Establishment shall be substituted for the War Department and the Navy Department as is provided in the previous act for the reason that the act which was passed by Congress unifying the military services now provides for the Military Establishment instead of War Department and Navy Department.

Section 6 applies only to Cuba and would enable the United States to raise rather than lower certain tariff rates. That covers the provisions of the pending bill.

The trade agreements program was adopted by the act of June 12, 1934, and has been extended by the acts of 1937, 1940, 1943, 1945, and 1948. As I have said on previous occasions while discussing this program, in its far-reaching consequences to the future happiness and welfare of the people of this country and the world, it is probably the most important measure that could challenge the thoughtful attention of this Congress.

The Trade Agreements Act of 1934 conferred discretionary authority upon the President of the United States to negotiate and enter into trade agreements

with other countries of the world. There has been so much confusion injected into this subject and so much discussion that is entirely irrelevant and has no application to the matter now under consideration that it might be well for us to remind ourselves of the provisions contained in the 1934 act, which is the real subject of consideration here today because all the pending bill proposes to do is to extend the provisions of the act of 1934 as it has been modified by the different extension acts since that time.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Utah.

Mr. GRANGER. As I understand the gentleman, actually the extension is only for 2 years from next June; is that right?

Mr. COOPER. That is correct. It is extended for 3 years, the customary period that has been usually done in the past, from the time it should have been extended last year when our Republican friends were in the majority and did everything they could to try to kill the program. They have opposed it all the way through and realizing that they could not go before the American people in the campaign of 1948 with a record of having completely killed the reciprocal trade-agreements program they tried to do all they could to accomplish that purpose and still be able to say that they had extended the program.

Mr. GRANGER. Going back to the last extension, the authority under the act is not changed at all with respect to the limitations of these trade agreements; is that right?

Mr. COOPER. The gentleman is correct. The purpose of this bill today is to extend the original Cordell Hull reciprocal-trade-agreement program for a period of 3 years from June 12, 1948.

Mr. GRANGER. Under this bill we would be acting according to the limitations on the power of the President to make trade agreements?

Mr. COOPER. The gentleman is correct. By briefly referring to the act of 1934, it will be observed that the act provides, among other things:

For the purpose of expanding foreign markets for the products of the United States . . . by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of the various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by according corresponding market opportunities for foreign products in the United States.

For that purpose—

The President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treat-

ment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

Now, bear this in mind:

No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists.

In other words, this simply confers upon the President of the United States, the duly chosen representative of all the people of this country, the authority to negotiate these trade agreements. It simply means in practical application that we realize that we produce large surpluses of products in this country. In normal times about 55 or 60 percent of our cotton is surplus; about 40 percent of our tobacco; about 50 percent of our packing house lard, as well as vast quantities of other agricultural products are surplus. We produce that much more in this country than we normally consume.

There are countries throughout the world that need those products. If they are not sold and exported to those places throughout the world, where they are needed, and are left here on the American market, they can have only one effect, and that is to beat down the prices that our farmers receive for the products of their toil. There are vast surpluses of many industrial products, and this program simply means in practical application that the President of the United States is authorized to sit down around the table, through his chosen representatives, and say to the other countries of the world, "We have certain surplus products in this country. Many of them are needed by you. You have some products in your country that are needed by our people. Let us sit down and see if we cannot work out a trade, a trade that will be to the advantage and in the interest of the people of both countries." That is the purpose of this program, and it has worked remarkably successfully up to this time.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from New York.

Mr. LYNCH. When the gentleman says, work out a trade, he means, does he not, that there would be a working-out or elimination of the various trade barriers that have been erected as the result of tariffs in the various countries; is that not a fact?

Mr. COOPER. The gentleman is correct; to stimulate the flow of trade between our country and these other countries of the world.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Louisiana.

Mr. WILLIS. The gentleman spoke of commodities produced in surplus in the United States. Is it not also true that in instances where we have a less quantity produced than we consume, such as sugar, that special provisions, such as the sugar quota acts, have been enacted to take care of that situation, too?

Mr. COOPER. The gentleman is correct. In the Trade Agreements Act a direct approach was made to the trade-

barrier problem. Foreign trade increased, and the increase was on a sound basis. Congress has carefully reviewed the program periodically and has approved it by extending the act. Between the years 1934 and 1935, and the years 1938 and 1939, our exports to trade-agreement countries increased by 63 percent, while our exports to non-trade-agreement countries increased by only 32 percent.

Our imports from these agreement countries increased by 22 percent, and imports from nonagreement countries by only 13 percent.

Trade agreements have been negotiated with 42 countries, and 39 of them are still in effect. Hundreds of concessions have been obtained for the benefit of products of this country and, of course, concessions have been made by us for the benefit of products of other countries. Over 65 percent of our normal foreign trade is carried on with trade-agreement countries. These countries have made concessions on something like 75 percent of their agricultural imports from this country and on something like 50 percent of imports of industrial products from this country.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Tennessee.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman explain what position the Tariff Commission will assume in this picture if this bill passes?

Mr. COOPER. The Tariff Commission assumes the same position that it did under the original act. It participates in all the hearings, all the consideration, and even in all the negotiations, which is not true under the act of 1948.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from New York.

Mr. REED of New York. Not in a single instance has the Tariff Commission as such had anything to do with it.

Mr. COOPER. That just shows how little the gentleman from New York knows about it.

Mr. REED of New York. I know absolutely, sir, and the gentleman knows that I do.

Mr. COOPER. That just shows how little he knows about the program. A man who has always opposed the trade-agreement program, a man who stood right here and voted for the Smoot-Hawley tariff bill, a man who has opposed all of our international program, now gets up here and tries to tell you what ought to be done with an important program like this.

Mr. REED of New York. The gentleman did not answer my question.

Mr. McDONOUGH. There is evidently a difference of opinion here between two members of the committee. May I ask the gentleman to point out the section of the bill that gives the authority to the Tariff Commission to continue this authority under the bill?

Mr. COOPER. The original act contains that authority, and this pending bill extends the original act that has been in existence throughout the years.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I hope my question will not interfere with the logic of the gentleman's presentation and the manner in which he is presenting it to the House. Will the gentleman address his remarks to this wording in section 6:

Nothing in this act shall be construed to preclude the application to any product of Cuba (including products preferentially free of duty) of a rate of duty not higher than the rate applicable to the like products of other foreign countries (except the Philippines), whether or not the application of such rate involves any preferential customs treatment. No rate of duty on products of Cuba shall in any case be decreased by more than 50 percent of the rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by act of Congress).

Will the gentleman explain that?

Mr. COOPER. As I endeavored to state earlier, section 6 applies only to Cuba. It would enable the United States to raise rather than lower certain tariff rates. It comes about in this way: There are certain products that are covered in the general agreement on tariff and trade upon which United States duties were increased. By reason of the application of that situation to Cuba, which the gentleman understands occupies a peculiar position of its own, some of the rates that were included in agreements with other countries result in an advantage to the same products coming in from Cuba. Section 6 would enable those rates to be equalized. That is all it means.

Mr. ROGERS of Florida. Will this affect products of Mexico in like manner as those coming from Cuba?

Mr. COOPER. I do not recall any illustrations given about Mexico.

Mr. ROGERS of Florida. The gentleman will realize that I represent a district where they have a great deal of winter farming, where we raise many products. The products of Cuba and of Mexico come in competition at the full bloom of our production.

Mr. COOPER. I do not think this has anything to do with that. The illustration given the committee was this: There were certain parts of chronometers originally included in the 1933 trade agreement with Great Britain, which was superseded by the Geneva agreement of last year. The result is an effective rate on British chronometer parts higher than can be applied to parts for chronometers imported from Cuba. This bill would merely enable the same rate to be applied to such Cuban imports.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. McSWEENEY. Is it not true that William McKinley was considered one of the early tariff experts and that in the last speech that he made before he was unfortunately assassinated he advocated reciprocal-trade agreements, saying that the tariffs had gone as far as they could

in the purpose for which they had been originally enacted and he thought that we should begin to have reciprocal-trade agreements?

Mr. COOPER. The gentleman is absolutely correct.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. SIMPSON of Pennsylvania. Will the gentleman tell me whether in his opinion there are as many restrictions today in international trade as there were in 1934 prior to the reciprocal-trade-agreements program?

Mr. COOPER. Certainly not.

Mr. SIMPSON of Pennsylvania. Will the gentleman tell me whether any have been removed other than reductions in tariffs on our part?

Mr. COOPER. Yes, and the gentleman well knows that.

Mr. Chairman, concessions were obtained on thousands of individual products which enter into the export trade of the United States. For example, over 1,400 concessions were made in our favor in the agreement with the United Kingdom, while over a thousand were made by Canada. Some 400 concessions were made by Cuba, and many concessions by other countries of the world. Every State in the Union produces some of the products on which concessions were obtained.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. JOHNSON. Out in my State we have this problem both directly and in reverse. We ship a great deal to Europe—dried fruits and things of that kind. Those who are apprehensive about the reciprocal-trade program are the people who raise nuts, such as the walnut and almond growers, of whom there are a large group in my district. The one complaint they make to me, the one complaint that they reiterate time and again is this: they say that they come to the hearings prepared with their data and submit it. They claim they have no way of knowing whether the Reciprocal Trade Committees pay a bit of attention to what they submit. Can the gentleman comment on that, please?

Mr. COOPER. I can say to the gentleman that I have heard every witness who has ever testified before the Committee on Ways and Means on this program. It has been my privilege to be a member of the committee longer than any other man on it, except our distinguished chairman. I have heard every witness who testified before our committee on this subject, and I say to you that it is my honest conviction that no American industry has been seriously injured by any of these trade agreements which have been negotiated. But more specifically answering your question, every American interest has full, ample and complete opportunity to appear before the responsible authorities of this Government, who are engaged in this important work of assembling material and information, to be considered during the negotiations on these agreements. All of them have full, ample, and complete opportunity to be heard. The orig-

inal act so provides. That program is to be continued. This program is administered with the most painstaking care of anything I have ever known to be undertaken by this Government.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. JOHNSON. I would also like to have the gentleman's comment on the clause in the proposed change in the act where it provides that the United States Tariff Commission's information and data shall be considered by the President. Is it working out that way, that the President does in fact consult the Tariff Commission?

Mr. COOPER. Absolutely, and the original act provides that. The Tariff Commission is to furnish data and information and material to the Interdepartmental Committee, and to the President of the United States. Under the old program which we are seeking to continue by the pending bill, the Tariff Commission itself has representatives on these various committees, and participates all the way through, even to the negotiation of the trade agreement itself, whereas, under the act of 1948, sponsored by our distinguished former colleague who is unfortunately not with us any longer, Mr. Gearhart, the Tariff Commission was taken out of all of that participation, and set apart, separate and apart to make a study and finding, without the benefit of going through all these considerations that are given by these various committees, and then was authorized to make certain reports to the President.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. COOPER] has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield further?

Mr. COOPER. I yield.

Mr. JOHNSON. Does the Tariff Commission hold exhaustive hearings itself, so they have ample data to give and to advise?

Mr. COOPER. Oh, the Tariff Commission is a constantly continuing agency that gives every possible thought and consideration to tariff matters.

Mr. COLE of New York. Mr. Chairman will the gentleman yield?

Mr. COOPER. I yield briefly.

Mr. COLE of New York. Will the gentleman indicate to what extent, if at all, the Tariff Commission has appeared before the Ways and Means Committee, either this time or in previous years, and expressed its views with respect to the procedure by which these agreements are made?

Mr. COOPER. Members of the Tariff Commission, at least the chairman of the Tariff Commission, and I think other commissioners, have appeared many times in the past. None of them appeared this time.

Mr. COLE of New York. Were they critical of the program?

Mr. COOPER. Oh, they have always appeared in support of the program. The chairman of the Commission has more or less always taken the attitude: "I am

here to give you any information, any counsel that I can"; but he has always supported the program.

We have heard considerable discussion about the value of the trade-agreement program to agriculture. Coming from an agricultural district, I am intensely interested in the welfare of our farmers, and have worked for and supported all agricultural legislation since I have been privileged to serve in this body. It is my conviction that this program is of greater value to agriculture than most any part of the life of this country. I invite your attention to the hearings, and especially to a statement by Mr. Kline, president of the American Farm Bureau Federation, who appeared before the committee in support of the pending legislation. Among other things he said:

No group in the United States has a greater stake in maintaining a high level of exports than American farmers. The American farmer needs foreign markets. In 1943 the production of agricultural products was 38 percent above the prewar level.

Then, passing on to another point in Mr. Kline's statement, I quote:

We therefore support the continuation of the Trade Agreements Act for another 3-year period, and the elimination of the restrictions enacted in the 1948 extension act, which tend to hamper the successful operation of this program.

A great deal has been said from time to time on the subject of wage scales in this country and other countries of the world. I invite attention to the fact that it should be remembered that unit costs, not wages, determine the competitive position of the manufacturers. Information from our Department of Commerce shows that the output per man-hour in our factories is more than 50 percent greater than in Canada, and more than twice that in the United Kingdom. It is generally conceded that in many industries we have the lowest production costs in the world. This is confirmed by the volume and diversity of our exports to markets in which we compete on an equal basis with other manufacturing nations.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. GRANGER. I hate to take the gentleman's thought off his present subject matter, but going back to this question of the exception made in the case of Cuba; that is a departure from the favored-nations provisions of the act, is it not? Do we make other exceptions?

Mr. COOPER. We have given certain consideration in the case of Cuba for many years.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield five additional minutes to the gentleman from Tennessee.

Mr. COOPER. Mr. Chairman, I wish very briefly to touch upon one phase that is frequently mentioned and discussed, and that is the most-favored-nations policy. You will recall that this was initiated by that former distinguished Secretary of State, Charles Evans Hughes. It has been followed throughout the application of the reciprocal-trade-agreements program. Some time

ago a special study was made by the State Department and the Tariff Commission of the generalization of concessions, and also the other side of the question. Those investigations show that the generalizations that we made to other countries amounted to about \$30,000,000 in trade. On the other hand, by that very generalization policy we protected something like \$250,000,000 worth of our own export trade. The ratio stands about \$9 in benefits that we have received for every \$1 of concessions we have granted. A 9-to-1 advantage is considered to be a pretty good trade.

Mr. Chairman, we realize, of course, that at this critical time in the affairs of the world this program is of greater importance than it has ever been in the past. We realize that we are now spending billions of dollars in the great European recovery program. This cannot continue indefinitely. We must try to see to it that international trade is restored to the extent that those countries now receiving financial aid from us will be able to stand on their own feet. In the European Recovery Act it is provided that the countries receiving benefits thereunder shall make an effort to reduce tariffs and trade barriers between themselves and with other countries of the world. Certainly, it is very important that we continue this program that makes it possible for us to carry on foreign trade with other countries throughout the world.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Does the gentleman feel that the European recovery program, which requires the reduction of trade barriers between European nations, can possibly succeed unless we in this country encourage that by the adoption of this program?

Mr. COOPER. The gentleman is correct. This is a very vital part of our international program. It perhaps means more than any one particular part of it and certainly we must go forward with this program as it was originally conceived by the man who stands out in bold relief as one of the greatest statesmen of all the world, our former colleague in this House, the distinguished Cordell Hull.

The purpose of this bill is to extend this program that has been tried and found beneficial to the people of this country as well as the other countries of the world, and it should receive the support of those in this Chamber who have favored our international program. This is perhaps the most important part of our effort to bring about a proper degree of recovery throughout the entire world.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, for a few minutes I should like to reply to some of the arguments advanced by my very distinguished friend the gentleman from Tennessee [Mr. COOPER]. The gentleman from Tennessee [Mr. COOPER]

sought to leave the impression that all the agricultural organizations in the land are in favor of the pending measure. As far as I am concerned, I think the most representative organization among the farmers of the United States is the Grange.

We had Mr. Goss, the distinguished president of the Grange, before us and here is what he stated, summing up his appraisal of the situation:

We would much prefer to see the committee—

Meaning the Ways and Means Committee—

devote its time to the enactment of such legislation and let the present law stand until a sound and effective tariff measure can be passed.

By the words "present law" he means the law passed by the Republican Eightieth Congress.

There is in clear language what the president of the Grange stated.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from New York.

Mr. REED of New York. He also testified that the Grange had a membership of 813,000 farmers?

Mr. JENKINS. That is right. I think it is the oldest and largest of all the farm organizations. I should also like to reply to the argument of the gentleman from Tennessee [Mr. COOPER] when he recited to us the wonderful and beneficial effects of these trade agreements. Here is a question I should like to direct to anyone on the majority side. Is it not a well-established fact that the tariffs and trade barriers are higher against us now in every country than they were when we began to negotiate them?

Here is another thing I should like to stress. It has been brought out before our committee time after time, year after year, that the tariff authorities have never negotiated any rate upward. They have always negotiated them downward. There was a witness the other day who said, "Yes, they have negotiated one rate upward." That was on sardines. They have negotiated the rate on sardines upward. But under questions from one of our members he divided the sardines into four groups and said that they raised the rate on only one group, so three-fourths of the sardines are in the same class as everything else. They have never raised a single tariff anywhere. I can't see how it could be consistent with fair play or even the law of averages how these fellows who make these agreements could possibly claim that they were fair with our country when they could not find where they could not in one single instance give to our country a little increase in protection duties.

Why is this not reciprocal? Why is it we have to pay what they all ask every place? We take the short end of the stick all the time and every place, and if I am not stating the true facts in reference to that, I invite you to recite one single instance where these activities have raised the duty at any time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Not only are those rates higher but in addition—I want to see if the gentleman agrees with this—they impose currency controls against us which have the effect of blocking the movement of goods into those countries.

Mr. JENKINS. I cannot answer this positively that all the countries have manipulated their currency against us, but in the majority of the cases it has been done.

Mr. CRAWFORD. And our State Department continually proceeds with a program which encourages them in doing that.

Mr. JENKINS. Yes, the gentleman is absolutely right. Take Mexico. The Mexican escape clause is considered the prize agreement of all. That is considered the model escape clause. What has Mexico done? Just deliberately walked out of it. I do not think any country in the whole world has kept this agreement with us. We keep all our agreements all the time, but they renege and run out, and they change their currency and do anything they please to render the agreement nugatory.

Let me say to my good friend the gentleman from Tennessee [Mr. COOPER] I am proud of him, because he always extols his fellow Tennessean, Cordell Hull. But, you know, I served with Cordell Hull, and I served with Mr. JERRY COOPER. To my mind the gentleman from Tennessee [Mr. COOPER] far surpasses Mr. Hull both intellectually and as a statesman.

Now, let us talk a little about these negotiations. Someone asked the gentleman from Tennessee [Mr. COOPER] the question about how these negotiations are entered into. His reply was such that I cannot agree with it. These negotiations are such that I am reminded of the statement in the Bible where speaking of man it says that he was "fearfully and wonderfully made." My friends, I want to leave this thought with you. We questioned dozens of men who went down before these tariff committees, and we never found anybody yet who has been satisfied. Without exception every person who discussed the experiences that he had before these trade committees said in effect that their appearance before those committees was absolutely unsatisfactory. Now I would like to ask my good friend, the gentleman from Arkansas [Mr. MILLS], who has been a member of the Ways and Means Committee for a long time, did he ever see anybody or hear of anybody that ever appeared before us that said he was satisfied with the treatment he received down before the trade committees?

Mr. MILLS. I will answer the gentleman by saying this—

Mr. JENKINS. Well, just answer me positively "Yes" or "No" without making a speech.

Mr. MILLS. Those who appeared before our committee in opposition to the program—

Mr. JENKINS. In opposition or in favor. Answer me the question that I asked you. Did the gentleman ever hear anybody say that he was satisfied, or

defended the program in any way at any time?

Mr. MILLS. The gentleman will remember Mr. Kline's statement, the head of the American Farm Bureau, when he said that they had been treated all right. The gentleman will remember the statement of Mr. Casey, representing the glove industry, where he said that they had been received properly.

Mr. JENKINS. Yes, but the gentleman knows that Mr. Casey was one of the most ardent opponents of this measure which the gentleman supports, that ever appeared before our committee.

Mr. MILLS. The gentleman, of course, knows that the man who has protection does not want to give it up.

Mr. JENKINS. Certainly, and he ought not to be compelled to do so if it will destroy his business. But he told you at the same time that if he did not get some protection, he was going to go out of business. That is exactly what he said. Now, if you want to take the responsibility for putting him out of business, that is your responsibility.

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. JENKINS. I yield.

Mr. MILLS. The gentleman quite well remembers that Mr. Casey was concerned about imports from Japan; the program of exporting from there conducted by our own Army.

Mr. JENKINS. But this gentleman, Mr. Casey, made a very fine statement and came voluntarily. He made a statement against the program that the majority is now favoring and he was bitterly against it.

Now then, let me talk to you further about these negotiations. This system employed by these trade-agreement boys of the State Department is about the most un-American program that I have ever heard. I repeat to you, we had dozens of fine men, lawyers, agriculturists, and businessmen come before us at different times, and all complained against the treatment accorded them and not a single person at any time ever said he had fair treatment and not a single person ever knew who considered the statements and arguments made by them, or ever knew who decided against them and why the decision was made and they got no advice or information of any kind. They all said, "We go down there and a couple of nice looking fellows come out, and they are suave, and they are nice. They sit there and we tell them our story. They do not even pay much attention to it. When we are through they say we can go. We never hear another thing about it. We do not know what became of it."

That is not right, that is not treating our American taxpayer right, and it cannot be made right until some change is made.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my friend the gentleman from Ohio.

Mr. McSWEENEY. I remember the old days under the tariff programs back in the twenties when I was trying to help the clay-products industry of our State, with the cooperation of our then

colleague from Ohio, Mr. Murphy. The gentleman may remember him.

Mr. JENKINS. He was a great protectionist if there ever was one. You did well to get his help.

Mr. McSWEENEY. We tried to get his help in connection with the brick, the clay-products industry, which is an important industry in our State. We could not get anywhere at that time, as the gentleman may remember.

Mr. JENKINS. That is right.

Last week one of the big brick industries in my section suspended operation temporarily, leaving 500 men out of employment. That is the result all over this country because of this program. You may wonder why I am a little zealous about this. I have hundreds of fine men in my own district who make their living working at brick and tile plants. I am interested in them.

Mr. McSWEENEY. They were not protected under the old system.

Mr. JENKINS. I will come to that a little later, when I talk about what is on the free list. But I will say to the gentleman that the duty on brick importations is now only about one-half of what it was at the time the gentleman refers to.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. If this thing goes through, will it not hurt the man who labors with his hands in this country?

Mr. JENKINS. Most assuredly. Everybody knows that the gentleman is right in his viewpoint in that connection.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Arkansas.

Mr. MILLS. Will the gentleman advise me just how high the tariff would have to be to protect this brick concern about which he is talking?

Mr. JENKINS. I do not know. I cannot give the gentleman the exact figures. But, as I have already said, the duty on brick has been reduced about 50 percent under these agreements. However, I would do this, if I could. I would go down there and ask them about it, or somebody should, for if I went they would not tell me. I would never find out anything about it. Some of the brick people out there just had to quit. It was no use for them to come to Washington. Oh, I know this is a free-trade program. This is a free-trade Cordell Hull program. Cordell Hull is probably the greatest free-trader America ever produced. This is Cordell Hull's program. There is no use to come to Washington. Everybody says you cannot get any satisfaction in Washington.

Mr. MILLS. The gentleman is such an able member of our committee, and I mean that seriously, that I am certain he could obtain that information from the Tariff Commission.

Mr. JENKINS. If I could relieve the situation that I am talking about, if I could bring to the American people the justice to which they are entitled in connection with these matters and correct the shameful conditions that go on down

there, I would quit this House today and go down there and do that job. I would be doing the greatest service for millions of our people that anybody has done for a long time.

Mr. MILLS. Would the gentleman be entirely satisfied if the House should adopt the two amendments referred to in the minority report on page 1? Would the gentleman be entirely satisfied with that program?

Mr. JENKINS. I would be satisfied with that for 1 day's work, tomorrow. I hope we get it done. That will be a fine day's work for 1 day, but I would not stop at that. I would do many other things against which our people are complaining. Many businessmen in the country are afraid to make their protests down here in Washington because they fear reprisals.

Mr. MILLS. The gentleman might be satisfied on Wednesday, but he might not be satisfied on Thursday?

Mr. JENKINS. I would go further. I would do good on Wednesday, and then do more on Thursday.

Mr. MILLS. The gentleman would have some more amendments on Thursday?

Mr. JENKINS. That is right; we agree.

Mr. NICHOLSON. If the gentleman will yield further, may I say that I am for anything that will help industry or the people who work in this country. If anybody is going to walk the streets, I would prefer that they walk in foreign countries, not in our country.

Mr. JENKINS. We both agree exactly.

May I take up now, the allusion that was made to Mr. McKinley's position. I do this in all humility because there is no question about Mr. McKinley's great ability and his position on the question of protective tariff. There is no question but that Mr. McKinley was the greatest tariff expert of his generation.

Mr. McKinley gave us the word "reciprocity." This is where it came from. Then as now, sometimes, I think we talk too much about the tariff, because 65 percent of all the commodities that come into the country come in free. Sixty-five percent of all our trade with all the nations comes in free of any tariff at all. That percentage was very great in Mr. McKinley's time, also, but Mr. McKinley advanced a program and said something to this effect: If we are going to let these people come in free with all their goods from all over the world, why not demand a little reciprocity? And we did demand a little reciprocity.

McKinley's theory always was—and even up to the day that he was assassinated at Buffalo, he had never retreated from that position—that reciprocity was advisable if it would be reciprocal by both parties and also that the measure of the tariff should be the difference between the cost of production in our country and the cost of production in the country from which the goods came. That was his policy all the time. That is our policy and that is my policy today. The only change is a change due to the change of world conditions. It was our duty to help some of the war-torn countries to reestablish themselves but

when they became reestablished it is not necessary for us to admit free their products in competition with our products.

Let me answer if I may a few of the arguments made by my distinguished friend, the gentleman from North Carolina [Mr. Doughton]. I yield to no one in paying my respects to this distinguished gentleman who has lived and worked among us many, many years. He has been in Congress probably longer than some of our new Members have been on earth. But the gentleman from North Carolina [Mr. Doughton] laid great stress on, and so many Members speaking on the Democratic side talk so much about, the Smoot-Hawley law. Some of our new Members have come here and have heard people talk about that law. You have made speeches against the Smoot-Hawley law year after year and year after year. Do you not know that nobody on your side ever since the Smoot-Hawley law was passed has ever come up here with a bill to repeal it? No, you have not. Why does not somebody come up with a measure to repeal this nefarious monstrosity?

Nobody ever has had the temerity to do it. Why, today in practically all of the procedures under which the Tariff Commission operates they operate under that law.

What is the use in hashing up things that are of no consequence at all today, because if there is anything wrong about it, why do you not take it out? Nobody has ever tried to do it.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. CAMP. Does not the gentleman know that the very purpose of the act which we are extending here is to permit the President to reduce the rate in the Smoot-Hawley bill where he thinks it is for the benefit of trade?

Mr. JENKINS. May I say to my friend that that is what I have been complaining about. The President and the Commission have a right to reduce these rates and they have been reducing and reducing and reducing.

He also has the right to increase the rates, but he has never increased them in a single instance.

Mr. CAMP. But his action has been on the basis of McKinley's policy of reciprocity of which you are in favor.

Mr. JENKINS. Yes; but that reciprocity applies to us as well, as I said before. When we give our market, which is by far the greatest market on earth, to the world and when we say to the whole world that 65 percent of everything that comes in can come in free, when we give them something, do you not think that they ought to give us something?

Mr. CAMP. Of course I do. And that is why we have reciprocal trade so we can get some benefits.

Mr. JENKINS. That is right, and that is what I think, too. But we do not have an organization that can give us that and we never have had.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. MILLS. The gentleman confuses me somewhat. He complains of the fact

that we have not repealed the Smoot-Hawley Tariff Act and in the next breath he complains because the tariff rates in the United States are equal to or under the Underwood Tariff Act rate. It seems to me that we have not only repealed the Smoot-Hawley tariff rates, but repealed other rates.

Mr. JENKINS. Yes; but you are repealing all the time without any consideration of the consequences. That is the way you have drawn your agreements and when they commence to pinch these foreign countries, they squeal out of it. You do nothing about it and our industry has had to bear the brunt of it and take the consequences.

Mr. MILLS. Does the gentleman contend that nothing can be done about it?

Mr. JENKINS. Why certainly, if this bill passes. Our amendments would help a great deal.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. REED of New York. I remember what the distinguished Henry Rainey, who was leader on that side of the House many years ago, said on the floor. He said, "You talk about repealing the Tariff Act. Why, the Republicans will not do it, and we do not dare."

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. McSWEENEY. Has not the demonetization of the dollar made effective tariffs on an ad valorem basis much more effective than they would have been before the demonetization of the dollar?

Mr. JENKINS. I do not know how that would work out in figures, but I just know how they do in other parts of the world. I know how they manipulate their currency. They make the contract with us first and then they manipulate the currency to suit the contract. That is the way they do it. And do not forget that. That is one of the greatest factors in business activity in the world today—the manipulation of currency in foreign countries.

If I may proceed. I have listened to some pretty spurious arguments. I want to answer them, because I think I have the answer right here in the book.

Nearly every New Dealer who discusses the reciprocal-trade agreements says something to this effect, "Well, is it not true that business between our country and the foreign countries increased in every case as we made these trade agreements?"

They say that in every case, when we made a trade agreement, business increased with that country and it did not increase with other countries.

Now, let me give you the facts with reference to Norway and Sweden for instance. We made a contract with Sweden and we did not make one with Norway. Our business with Norway increased more than it did with Sweden, in the same time. Now, why do you make such arguments as that when they are absolutely not borne out by the facts?

Let us take Argentina and Brazil. We make a contract with Brazil and we do not make a contract with Argentina. Our trade with Argentina far surpasses

our trade with Brazil in the same time. Let us go to Venezuela and Colombia. The same thing applies there. We make a trade treaty with Colombia and we do not make one with Venezuela. Business with Venezuela increased far more than it did with Colombia.

So why do you make such arguments? Why do you make arguments with reference to certain periods of inactivity? They say, "Mr. Hoover's time. Mr. Hoover's time." His time terminated in 1932. We had a Democratic Congress in 1930. When did WPA come into existence? Who ever heard of WPA up until that time?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman one additional minute.

Mr. JENKINS. The Hull reciprocal-trade agreements were in effect in 1935, 1936, and 1937, when WPA was in effect and employed more people than any other industry. What good did the trade agreements do to the country when they were first passed? I do not say that WPA came on because of these agreements, but I say that these agreements did not do for the country what you claim they did. Mr. Chairman, I hope to develop some of these matters further as this debate progresses. I am sorry that my time has expired.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, you will recall that during the very first days of this session, I introduced a resolution providing for a permanent delegation to the President of authority to enter into trade agreements with foreign countries. Under my bill, it would no longer have been necessary for Congress to press legislation every 2 or 3 years to keep the Reciprocal Trade Act alive. However, the Congress would have continued to keep a close eye on the President's exercise of this authority through investigatory supervision.

I still maintain that there is considerable merit in my resolution. However, as a result of the hearings held by the Ways and Means Committee and of the important revelations that were made there by the technicians and experts in charge of the day-to-day operations of the trade-agreement program, I have decided to support in full the committee bill.

I am supporting the committee bill for three important reasons:

First. The Hull reciprocal-trade program was one of the vital issues in the recent election. The people have repudiated the crippling amendments made by the Republican Eightieth Congress by refusing to reelect both the chairman of the Committee on Ways and Means and the chairman of the Subcommittee on Tariff and Reciprocal Trade. The author of the Gearhart bill and many who sustained him have been defeated at the polls. The plunderbund of Smoot-Hawley high-tariff boys, the American Tariff League and the Grundyites of reaction-

ary republicanism, has been decisively checkmated.

The farmers, the housewives, and the labor unionists—all those members of the consuming public who played their part in bringing about this repudiation at the polls—have a right to expect prompt action on our part to restore the Hull program. I would be the last one to stand in the way of such positive action. Perhaps at a later date, when there is more time, the merits of my resolution can be discussed at greater length.

Second. Time is of great importance in regard to this legislation. Early in April very extensive tariff negotiations are scheduled to commence in Annecy, France, close to the Swiss border. It is essential that the United States play its full and unfettered part in these negotiations. Thirteen additional countries have indicated a desire to participate in the General Agreements on Tariffs and Trade, concluded in the autumn of 1947 between the United States and 22 other countries.

The general agreement is the most important and comprehensive trade agreement in history. By this agreement 23 nations agreed to reduce their tariffs or to maintain low tariffs or none at all on a wide variety of products. The products affected accounted in 1938 for over half of the world's international trade. In addition, the agreement includes commitments to curb the use of other trade restrictions, such as import quotas, and to limit various kinds of discrimination, such as preferential treatment of imports from one country as against those from another. Never before have so many nations combined in such an intensive effort to reduce barriers to trade.

The extension of this agreement to 13 new countries is consequently a very important step in the series of moves which the United States is making to remove barriers which stand as unnecessary obstacles to the building of a more stable and a more prosperous world.

We know that unless nations can sell each other products of their agriculture, labor, and industry to the greatest possible extent, there can be no sure foundation for economic or political peace. We know that unless trade restrictions are relaxed, the lot of the private trader in international trade will become increasingly difficult. We know that unless world trade is increased, the tremendous investment we are making in the European recovery program will be largely wasted.

Preparations for tariff negotiations take time—particularly when a large number of countries are involved. Planning for the April negotiations has been going on for over 6 months. The effectiveness of United States participation in the negotiations has been drastically hampered, despite the best efforts of the technicians, by the restrictive provisions and limited extension of the present trade-agreements law. Faced with uncertainty as to the status of the law after June 30, foreign countries unquestionably have been more reluctant to plan important and far-reaching commitments than they otherwise would have been. Faced with the prospects of niggardly offers, limited by the United

States Tariff Commission's overcautious peril points, foreign countries must be contemplating niggardly offers in turn, which would result in a niggardly attempt to reduce world trade barriers.

This is no time for niggardly attempts to solve basic world problems. Bold and imaginative steps, offset by reciprocal action, must be taken and taken now, not next year or the year afterward. Realizing this as I do, and recognizing that the April negotiations should not be postponed until we decide upon a new basic trade-agreements law, I am willing to defer consideration of my resolution for a permanent trade-agreements act until a more suitable time.

Third. There is still one last reason why I am supporting unchanged the committee bill at this time. It has to do with the attitude of people throughout the world toward the United States. They are wondering how quickly and to what degree the Eighty-first Congress can reverse the reactionary isolationist trend started by the unlamented Republican Eightieth Congress. Today we face the first test. We can show the world the temper of this new Congress, and by the number of votes cast for this resolution we can make a concrete demonstration which will be talked about in Moscow, in New Delhi, in Cairo, and in all of the capitals of the earth. By this vote and by the speed with which we act we can show again that America is alive to the grave economic problems facing the peoples in most of the world outside our frontiers and that we are prepared to do our fair share toward helping to solve these problems. We can effectively take the wind out of the sails of those who keep propagandizing the colonial peoples, to the rising younger nationalities, and to the poverty-ridden everywhere. We can say with reason and with confidence, pointing to this law and the action that will be taken under it, that this country will continue to do its share and more than its share to the end that men everywhere will have a better chance for economic as well as political freedom in the years immediately ahead. We will thus assure the peaceful and economic future of America; of this there can be no doubt.

Now, Mr. Chairman, I want to read into the RECORD a statement by the Detroit Board of Commerce. It constitutes unchallengeable and documentary evidence the value and effectiveness of which cannot be refuted.

DETROIT BOARD OF COMMERCE,
Detroit, Mich., February 4, 1949.

STATEMENT ON EXTENSION OF THE RECIPROCAL
TRADE AGREEMENTS ACT ON BEHALF OF THE
DETROIT BOARD OF COMMERCE

To Members of the House Ways and Means
Committee:

The world affairs committee of the Detroit Board of Commerce has always, in the past, strongly supported the reciprocal-trade-agreements program. In conformance with the traditional policy, the world affairs committee respectfully urges that H. R. 1211 be favorably reported by your committee and be passed by Congress.

DETROIT AND MICHIGAN'S INTEREST IN WORLD
TRADE

The city of Detroit and the State of Michigan both have a vital interest in a successful trade-agreements program. The following facts indicate the paramount importance

of a healthy world trade to the economy of this area:

1. The Detroit area is the world's largest producer of industrial products for export.

2. Over 900 Michigan firms are actively engaged in some form of world trade.

3. It has been estimated that one out of every seven dollars spent in this area was derived from foreign sales.

4. More than 300 imported items are necessary for the production of automobiles in Detroit.

5. Many chemical, pharmaceutical, paint, machinery, and other industrial firms in this area are dependent upon imported raw materials.

6. Over 100 oceangoing steamship companies maintain offices in Detroit.

7. During the navigation season oceangoing vessels ply the waters between the port of Detroit and the ports of Denmark, Sweden, Norway, Holland, Belgium, England, Venezuela, and Colombia.

8. Air lines connect Detroit with nearly every major commercial center in the world.

Michigan fathered modern industrialization with the development of mass production methods in the automotive industry. With this development came the need of mass consumption and mass markets. A decline in consumption or a limitation of markets wrecks havoc upon our industrial society. Thousands of workers become idle, expensive equipment and machinery lies useless, purchasing power declines, and the resultant economic stagnation creates a tremendous burden for the city, State, and Federal Governments. Both agricultural and industrial interests suffer. Detroit industries believe every effort must be made for the expansion of world trade and the maintenance of world markets. A workable reciprocal-trade-agreements program can contribute to the realization of this goal.

The catastrophic effects of the last war have made it difficult for many nations of the world to compete in the world's markets or to purchase the products we produce. Dollar shortages have appeared in every corner of the globe giving an impetus to the demand for increased tariff walls, quota restrictions, preferential tariffs, regional trade systems, bilateral trade agreements, exchange controls, and other types of trade barriers. These are largely designed to limit United States participation in the exploitation of world markets. We believe the reciprocal trade agreements program is an effective method of combating the present trend.

Opponents of the reciprocal trade agreements program argue that the curtailment of our export trade would have little effect upon our economy as it represents only about 10 percent of our total production. They claim that increased imports of products produced by cheap labor will cause unemployment and economic hardship to both labor and industry groups in the United States.

Though our exports may represent only about 10 percent of production, that 10 percent may often be the difference between profit and loss. It may represent an increased volume of production making possible a lower per unit cost. It affords stability to Detroit manufacturers and labor by mitigating the effects of slack periods in the domestic market. During severe depressions in the domestic market, export has made possible the continued operation of a number of Detroit industries that might otherwise have had to close down operations.

The claim that the importation of products produced by so-called cheap labor will be injurious to employment in this country is fallacious. Foreign labor is not cheap. Productivity as well as wages determines value of labor. The employees of Detroit industries, as a result of the heavy investment in equipment, tools, and machinery and improved techniques of production, are competitive with other labor groups all over the

world. On the other hand, the undue protection of uncompetitive labor in other domestic industries results in a lower standard of living and the limitation of markets to the detriment of the more economic industries.

CONCLUSION

Trade agreements executed in the past have been beneficial to a great majority of Detroit and Michigan industries. Agricultural interest has also benefited from the reciprocal trade agreements program.

Never before in history has the need for a healthy world economy been as apparent as it is today. Nations throughout the world need the products and the production know-how available here in Detroit for the rehabilitation and the reconstruction of their war-torn Communist-threatened economies. We cannot afford to refuse their demands. On the other hand, we cannot afford to continue indefinitely the process of giving away the bulk of our exports without receiving payment as has been the case in the past. It is imperative that markets for the world be opened to Detroit and Michigan industries and that the means of payment for these products be available, thus relieving the American taxpayer of the burden of paying for our own exports.

Therefore, the world affairs committee of the Detroit Board of Commerce urges the Ways and Means Committee to favorably report on H. R. 1211 and it be passed by Congress.

Respectfully submitted.

WORLD AFFAIRS COMMITTEE, DETROIT
BOARD OF COMMERCE,
RICHARD B. FROST, Secretary.

VERIFICATION

STATE OF MICHIGAN,

County of Wayne:

Personally appeared before the undersigned authority, Richard B. Frost, who being first duly sworn, deposes and says that he is secretary of the world affairs committee of the Detroit Board of Commerce, Detroit, Mich., and that he executed the foregoing instrument and that the allegations of fact therein are true and correct to the best of his knowledge and belief.

RICHARD B. FROST,
Secretary, World Affairs Committee,
Detroit Board of Commerce.

Sworn to and subscribed before me this
4th day of February 1949.

NICHOLAS J. RINI,
Notary Public, Wayne County,
State of Michigan.

My commission expires November 23, 1952.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, the present joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which, if passed, will enable the President through the Secretary of State, to continue for another 3-year period to enter into foreign-trade agreements or reciprocal trade agreements, is as important legislation as will come before this session of Congress. It affects the prosperity of every American. To my way of thinking, it is the greatest hope we have of keeping up our present high levels of employment as well as the high income of farms, mines, and factories.

There was a time when our foreign trade was of such proportions that the specter of unemployment was unknown and the worry of our cotton and grain farmers was not the question of markets but the problem of supplying the world demand. Ships bearing cargoes of American manufactured goods and agricultural products sailed the seven seas,

our ports were beehives of commercial activity, and our people enjoyed a firm and stable prosperity.

In other words, we traded with the world. We brought to our country goods from all over the world, and we sold to the world our entire surplus of manufactured goods and agricultural products.

In 1933 the new administration at Washington began a study of the causes of the loss of our world trade. The President had called to his aid as Secretary of State a statesman who had given many years of his life to the study of world trade and tariffs and who had foreseen the inevitable result of the iniquitous tariff policy of the Government under the Republican administrations. This quiet and studious man from the rugged State of Tennessee, Hon. Cordell Hull, believed that by making reciprocal treaties with the foreign countries much of our trade could be revived and prosperity gradually brought back. So the Congress passed the act of June 12, 1934, empowering the President to make these reciprocal trade agreements.

What are these trade agreements? They are nothing more nor less than a method of breaking up the log jam and opening up the trade channels between our country and the other countries of the world.

Some people have an erroneous idea of the meaning of foreign or world trade. They seem to cling to the idea that trading with the world means selling the rest of the world our goods without buying any of theirs. Trading means the exchange of goods for goods—just as the farmer takes his produce to town and exchanges it for the supplies he needs, as the trapper on the frontier used to exchange his furs for food and clothing. So we see that if we will have world trade we must take the goods and products of other countries in exchange for ours. We must buy as well as sell. To revive this trading a Democratic administration devised these reciprocal trade agreements. These agreements made it easier for the foreign buyers of our goods to find a market for their goods here. Each one provides increased opportunities for a country to expand its purchases of our goods; provides that the trade of one country shall be treated fairly by the other country to the agreement relative to the trade of a third country, thereby preventing discrimination.

These trade treaties became necessary because as we built high tariff walls in this country, other countries of the world retaliated by building high tariff walls against our goods and these tariffs became formidable barriers to world trade. It was found to be impossible to get rid of all these trade barriers at once, but these trade agreements, by reducing our tariffs on some goods in exchange for an agreement on the part of another country to reduce its tariffs and other restrictions on our goods, encouraged trade instead of discouraging it.

These trade agreements are openly and fairly made. A clear description of the method of their negotiation is as follows:

Before we enter into trade-agreement negotiations with a country, public an-

nouncement is made of our intention to do so. The trade-agreements work is conducted by the Trade Agreements Committee, an interdepartmental undertaking in which participate the Departments of State, Treasury, Agriculture, and Commerce, and the Tariff Commission. This committee is made up of non-partisan experts, men of experience and judgment in foreign trade, who have no interest in anything except what is best for the country as a whole.

As a result of study of the trade and products of the two countries, there is published at the time announcement is made of intention to negotiate a trade agreement a list of products in respect of which we will consider making concessions to the other country.

When these products have been announced in this open and aboveboard manner, so that everybody who produces or deals in these products may know about it, then a date is set when all interested persons may be heard. If you do not think a product in which you are interested should be included in these negotiations, you have a full chance to say so. You can appear before the Committee for Reciprocity Information at public hearings in Washington and state your case, or you can file a written brief of your arguments and have them carefully considered. In one way or another everybody affected has a chance to be heard—an equal chance. There are no back-door methods; no chances for lobbyists to exert political pressure; no secret deals or swaps.

Why has the trade agreements program become so universally accepted? Even men who have made a career out of fighting the program no longer speak of outright repeal of the Trade Agreements Act. They only dare use the back door and try to weaken the program through crippling amendments.

The reason why trade agreements are today so universally acclaimed is not hard to find. Trade agreements make a vitally important contribution both to our domestic prosperity and to the success of our foreign policy. Let us consider how this is so.

First, as to our domestic prosperity. America is now the world's largest foreign trading nation; our domestic economy is geared into the world economy. We need to export to keep our present high level of production. A falling off of exports of just one product has effects which reverberate throughout our economy. But if we want to continue our exports we must also be willing to import. We cannot sell unless we buy. Furthermore, imports are valuable in their own right because they raise our standard of living and supply us with raw materials on which our production depends. A large volume of both exports and imports is therefore essential to our domestic prosperity. What is the best way to insure that this volume will be large? Obviously by reducing trade barriers and allowing the forces of competition to determine the flow of goods among nations. Trade agreements are designed to accomplish just this.

There is another reason why trade agreements are vitally important to our domestic economy. We in America be-

lieve in the system of free competition. We know that America owes its economic strength to that system. Trade among nations today is not free, but is largely regulated and controlled by governments through bilateral agreements, exchange controls, and quotas. When nations regulate and control their foreign trade in this fashion, they sooner or later find it necessary to control their domestic trade as well. If our system of free competition is to survive and if our own prosperity is to continue, we must convince the world of the value of reducing and eliminating these governmentally-imposed barriers to trade. The trade agreements program has been invaluable for teaching this lesson to the world. With its aid, we have led in the fight to reduce and eliminate controls and barriers on international trade. We must continue to lead in this fight if we want to convince the world of the superiority of our economic system.

No one can question, therefore, the value of trade agreements to our domestic economy. This alone would be sufficient reason for renewal of the act. But it is when we turn to foreign policy that the case for trade agreements becomes overwhelmingly convincing.

Our foreign policy aims at the establishment of a peaceful world in which democratic, free institutions flourish. Our economic foreign policy supports this ultimate goal by creating the prosperity and economic stability which is the surest foundation upon which to build a peaceful, democratic, and free world.

The great depression and World War II made the goals of our economic policy difficult to achieve. The depression left a heritage of economic controls. The war added to these controls and left many other scars on the world economy. The industrial plants of many nations were nearly destroyed, transportation and normal business channels were disrupted, and basic commodities were in severely short supply. Faced with such conditions, war-torn nations could take no other source of action but to invoke controls, make barter deals, and resort to a host of other restrictive devices. When trade is artificially channeled, the volume of trade falls off and the flow of goods slows down to a trickle. Most of these countries recognized that the controls which they imposed were not going to assist them in the permanent solution of their problems but they were not in a strong enough economic position to take any other course of action.

American economic policy is aimed at breaking down these depression-born and war-fostered barriers which block the flow of goods and deny to the world the prosperity which comes from a mutual sharing of goods. We are in a strong enough economic position to take the lead. We have obtained, in the last few years, some very important commitments to remove these controls just as soon as it is economically practicable and possible to do so. Trade agreements have proved to be one of the most effective weapons in this battle against trade barriers and in obtaining these significant commitments.

Furthermore, trade agreements have stood the test of time; they have been in successful operation for 15 years. Trade agreements are concrete and down to earth; they face the problem squarely by reducing specific barriers on specific goods.

Trade agreements are not the only means we are using to achieve the goals of our economic foreign policy. We also have the International Monetary Fund and the International Bank, the vitally important European reconstruction program and the proposed International Trade Organization. The trade-agreements program is interlocked with these programs. The success of one depends upon the success of the other.

The International Monetary Fund and the International Bank for Reconstruction and Development are designed to establish financial conditions that will contribute to a maximum expansion of world trade. The function of the fund is to prevent abnormal fluctuations in exchange rates. The bank reinforces the efforts of the fund by granting long-term loans to war-devastated and economically underdeveloped countries. Thus, both institutions supplement each other and assist in expanding trade.

The Foreign Assistance Act of 1948 provides that nations participating in the recovery effort must cooperate to reduce trade barriers. The United States should be the leader in carrying this out. By enacting strong trade agreement legislation, we can show that we mean business when we talk about reducing trade barriers. Furthermore, the long-run success of the European recovery program hinges on reduced trade barriers. The goal of the program is to make the countries of Europe self-supporting. If they are to pay for what they buy, they will have to earn by selling to other countries. Such selling would be impossible if the channels of trade are clogged with barriers.

The proposed International Trade Organization is another vitally important arm of our foreign economic policy. We have been the leaders in persuading the world to accept the code of fair trade practices embodied in the ITO Charter, and that charter stresses that member countries shall negotiate for reduction of trade barriers. We need a workable and effective Trade Agreements Act as the authorization to carry out this undertaking.

But trade agreements do more than help us establish world prosperity and economic stability. They contribute to the ultimate goal of our foreign policy—the establishment of a free and peaceful world, in which democratic institutions flourish. Trade agreements help in two ways. First, they contribute to peace by reducing and limiting the use of trade barriers which are a major source of friction among nations. Second, they contribute to freedom and democracy by bringing the internal prosperity which is the best antidote to communism.

It is this, in the last analysis, which is the most compelling reason for the continuance of a strong trade agreements program. We have become the rallying point for the free nations of the world.

The free world looks to us for leadership. Every move we make is watched. If we make one faltering step, incalculable harm may be done. In the eyes of the world, a weak Trade Agreements Act is such a faltering step. A strong 3-year Trade Agreements Act, on the other hand, would be a clear sign that we are continuing resolutely on the course we have set for ourselves and our friends.

I have listened with interest to some of the arguments of those who do not favor the reciprocal-trade-agreements program. I have heard them say that the Smoot-Hawley tariff bill of 1930 had not been repealed. I cannot understand why they protest for under this reciprocal-trade-agreements program it has been effectually and properly repealed.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. NICHOLSON. I wish to ask the gentleman why it is that we have to pay 35 and 40 cents for a package of Piedmonts, Camels, or Lucky Strike cigarettes up in Canada. The gentleman is talking about reciprocity. Will he tell me why we have to do that?

Mr. CAMP. I do not know anything about the price of things in Canada or how the prices are made up. I do know that our trade agreement with Canada has given us great concessions, and that we are now exporting to Canada a great quantity of agricultural products from my section of the country that we did not export to them before our trade agreement with them. I do not know what part of the price of cigarettes in Canada is tax, but I do know that when you buy a package in the United States some three-quarters or more of the price is made up of tax.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield further?

Mr. CAMP. Yes; I will yield to the gentleman; but remember I do not have very much time, and I do not want to spend it all in a dialogue with one Member.

Mr. NICHOLSON. I do not desire to take any of the gentleman's time because I believe that tobacco, cotton, and the other commodities that we raise here should be protected in these United States. Furthermore, if the gentleman ever went into a foreign country he would know that we cannot sell tobacco, cotton, or anything else because there is no reciprocity in the other countries.

Mr. CAMP. I do not know what countries the gentleman refers to; but we are trying our dead level best to get reciprocity with all countries. If you kill this bill you will destroy the only means you have of obtaining reciprocity.

Now, my good friend whom I respect very greatly, the gentleman from Ohio [Mr. JENKINS] asked my colleague from Arkansas if he has ever seen anybody satisfied who came before our committee. I will ask him this: Have you ever heard any of these people who came before us who did not start off just like our constituents back home used to talk to us about the price-control bill: "Oh, I am in favor of price control but—" They say, "Oh, yes; I am in favor of the Trade

Agreements Act, but—" and we are all in favor of it; are we not?

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. JENKINS. I am surprised at the gentleman because he is one of the brightest men in this House. I did not say anything about them being dissatisfied with coming before our committee. I said they were dissatisfied with going down to the tariff people.

Mr. CAMP. Oh, I am talking about the reciprocal-trade-agreements program.

Mr. Chairman, last Christmas a year ago I wanted to give my wife some dishes. She had asked for some chinaware a month or two before, and I thought I would kill two birds with one stone by giving them to her on Christmas. So I went into a store here in Washington and asked for chinaware. They were very nice to me. They took me over and introduced me to the head of the department. He said, "Mr. CAMP, I am ashamed to take you into our department. We do not have anything." So I went over to another large store and told the lady clerk that I wanted to give my wife some nice china for Christmas. "Oh, well," she says, "we have got just one set." So you see that one of the largest department stores here in Washington had only one set to offer.

Well, I thought that was bad. I thought there must be a good demand for chinaware in Washington, and perhaps I could get it in Atlanta. So I went into a store in Atlanta and the same thing was told me.

Yet here last year when we had hearings, the chinaware men came before us scared to death of this trade agreements act. I asked one the question, "Are you selling your product?" "Yes." "Do you have any unfilled orders?" "Oh, yes, for a year or two." "Well, what is the matter with you?"

Mr. Chairman, the whole trouble is fear. We recently had a great man in this country who used to say that fear was the greatest enemy of mankind. These people are afraid that in some 5 or 10 years from now or maybe in 3 years from now they will catch up on the backlog of orders and some Frenchman might send in a little beautiful chinaware and it might be sold to a man who wants to give his wife a Christmas present, who could not otherwise find the china. If we will take some of this product that can be sold here and not hurt our chinaware manufacturers, and ship them some bales of cotton over there, or some cheese, or something else we can spare, we will be helping the American farmer and at the same time satisfying the man who wants to give his wife a present.

I cannot understand how anybody can possibly oppose a program so fairly administered. You talk about not getting satisfaction from the Tariff Commission or the Trade Agreements Administration. Why, under this law the Tariff Commission, the Army and Navy, the military establishments, the Department of Agriculture, the Department of Commerce jointly with the Secretary of State hold hearings. They meet and work out each item on the list and before they will ne-

gotiate an agreement they publish to all the manufacturers of products to be included or, if an agricultural product, to all of the producers of it a list of the articles they are going to talk about. They invite those people to appear before the committee.

There was a time when people came to America in search of every product we produced. There was a time when my great State of Georgia had British agents going over it begging our farmers to plant more acres of cotton so they could get the cotton. That same thing brought about the greatest expansion of trade that any State has ever enjoyed. During that time when we could sell all we could produce and the world market would take everything we had to offer, my State built the first railroad that was ever built in the United States. Fifty miles long, and later the first one that was 100 miles long. We built in our own docks with Georgia money the first steamship that ever crossed the Atlantic Ocean. The reason was we had a market for what we produced. But when times changed, and our surplus crops could not be sold abroad it stagnated the home market, and no section of this land has suffered more from the loss of export markets than my section.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Utah.

Mr. GRANGER. I just want to say this to the gentleman and to the committee. The question has been raised here by the gentleman from Ohio, who refused to yield to me, and I think there is some substance to that, as to the reception that is given to Members of Congress down before the Reciprocal Trade Committee. It seems when you go down there that they are not interested; they are just about as warm and responsive and receptive as a frozen Eskimo. They evidently do not care anything about what you say there, or, at least, that is the way you feel. I think it is wrong and I think it is subject to criticism. Perhaps you people who have not been down there have not had the experience, but that is the feeling I have.

Mr. CAMP. Well, I have been down before them. I have raised sand about some of the items they were considering but I think that the program is not to blame. I think that the administration may be a little wrong. Let us correct the administration if it is wrong, and not disturb this great program.

Under this program I think our President can and will perform our greatest act in bringing about world peace, and that is by reviving world trade. People that are trading with each other do not hate each other. Trade will prevent war because it will keep people at work. Trade will bring on prosperity because it will give to us in the foreign countries a market for our surpluses. It is that great fear of unsold surpluses that hovers

over our economy today and keeps us from going forward as we should.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I hope very much that if my good friend and able committeeman, the gentleman from Georgia [Mr. CAMP], has not as yet procured for his wife the fine set of dishware he sought a year or two ago, he might do so now. I suggest he go to one of the great department stores downtown and he there will find he has a wide choice of chinaware. If his experience should be anything like the experience of my wife within the past week, he will return to his home and upon opening the package discover that he has bought some chinaware which was made in England. Or, possibly, in Czechoslovakia. Then, if he should continue his trip on out into the western part of Pennsylvania, or specifically into the eastern and southern part of Ohio, he will there find on the unemployment rolls American workmen who can and should be making that chinaware which would be sold here in these stores. Instead, the American skilled worker sits idly by as the cheap labor overseas produces china. That has taken place in the chinaware industry and it is taking place in some half dozen other industries right now, today, in the United States. It is taking place because goods are imported from overseas for sale here at prices less than the American workman can or will produce those goods for sale here. Part of the reason is that the tariffs are so low that the American workman in these industries to which I refer is not protected.

Earlier in the day the statement was made that the Tariff Commission under the law as it existed prior to 1948 did sit upon the various committees which are charged with preparing the trade agreements. That is not correct. That is not in accordance with the hearings. As has been testified by Mr. Ryder, Chairman of the Tariff Commission, members of that Commission do meet with the various committees in the preparation of trade agreements, but they do so unofficially. They do not; they never appear and speak for the Tariff Commission.

It is the purpose of those of us on this side of the House to offer an amendment to the bill (H. R. 1211) tomorrow which will impose upon the Tariff Commission the continued duty of determining just what the peril point is with respect to any commodity which is up for negotiation. The peril point is the Tariff Commission's finding as to that rate below which any reduction in tariff would damage or threaten serious damage to an American industry. I shall not argue the merits of that amendment at the moment. I hope to do so tomorrow. But I cannot conceive of anyone in this great body opposing the President's having the knowledge and advice of the Tariff Commission, that highly valued and respected branch of the Congress, as to just what they believe to be a point below which a tariff should not be cut. We will be doing a service to the President, we

will be doing a great service to this Congress, and we will be doing a greater service to the American workingman and to industry in general if we do provide that the President be given that information. The Tariff Commission is the only group in all the United States that has the ability, the background, and the courage, if you please, to do its duty and to say, "Here is the level below which, if American industry is to be protected, you must not go in cutting tariff."

I think it is most unfortunate that we do not have the benefit of long hearings by the Committee on Ways and Means on the bill we are now considering. No one appeared before our committee other than at his or her personal request. The committee did not invite anyone to appear. The committee took the position that anyone who chose to come before the committee and to talk about the bill H. R. 1211 might do so, and the committee would be glad to listen.

Whoever heard of an investigation being made in that way? We are all familiar with the fact that when you want to learn something about a subject you usually ask the people who do not rush forward volunteering information. In our congressional committees we request representatives of various departments of the Government to come before the committee and present their case. That is the way to get the information; that is the way to learn about the bills that are up for consideration. But our committee chose only to hear volunteers.

We went further than that, as you have been told, and we specifically voted that we would not invite to come before our committee members of the Tariff Commission, that group which I have previously said has the most information about tariff cuts, and incidentally the group that is affected more than any other group by the bill we are now considering.

Incidentally our committee would not invite the group who are affected by the bill we are considering more than any other group. Our committee would not invite them to come and be heard and they did not see fit to volunteer. Likewise we did not have before us the military in the face of repeated statements that our strategic materials and our very national security is jeopardized by the operation of parts of this reciprocal-trade-agreements program. In view of that and in view of the allegations that this trade-agreements program is a most important part in our international program today, I submit it was not proper that we come before you today without complete hearings on those subjects.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. BOGGS of Louisiana. Would the gentleman mind telling the committee how long the hearings lasted last year, and whether or not the press or the public were permitted to participate in those hearings.

Mr. SIMPSON of Pennsylvania. I am very happy to tell the gentleman that they lasted only a short time and I would also point out that the extension was only

for one year. I admit it was contemplated that there would be hearings again this year. Perhaps undoubtedly we were wrong as to who might be in charge of the hearings this year, but the fact remains that it was contemplated that hearings would be held again this year.

Mr. BOGGS of Louisiana. Were the hearings open?

Mr. SIMPSON of Pennsylvania. The subcommittee hearings were not open.

Mr. BOGGS of Louisiana. Were the full committee hearings open?

Mr. SIMPSON of Pennsylvania. They were not open.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. NICHOLSON. I would like to ask the gentleman if he remembers that I came before the committee and was not allowed to say a word.

Mr. SIMPSON of Pennsylvania. I seem to recollect that, yes.

Mr. EBERHARTER. Mr. Chairman, if the gentleman would yield, I would not like for that to remain in the RECORD, without a clarification. The gentleman appeared before the committee and he said, "My position is the same as the position of the gentleman who just testified before the committee." I believe that that was the gentleman from Massachusetts [Mr. BATES].

He also said, "I take the same position that the gentleman does, and I have no further statement to make." If I am wrong about that, I would like to be corrected.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I do not want to get involved in any controversy between the two gentlemen. I appreciate what the gentleman from Pennsylvania [Mr. EBERHARTER] has put in the RECORD.

Mr. EBERHARTER. I do not like for any Member of the Congress to say on the floor of the House that the Committee on Ways and Means has not given them an opportunity to be heard, because that simply is not in conformity with the fact or the policy of the Committee on Ways and Means.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. BYRNES of Wisconsin. I rise at this point so that there would not stand in the RECORD a statement which I believe was based on a misunderstanding of the question posed by the gentleman from Louisiana. He inquired as to whether or not the committee hearings during the Eightieth Congress were open hearings. I remind the gentleman that beginning on March 26, 1947, the committee held hearings up to May 9. Those hearings are published and available to the gentleman from Louisiana. They consist of over 1,731 pages of testimony, all of which was in open hearings.

Mr. SIMPSON of Pennsylvania. In the past in considering these trade agreements, I am convinced the committee had in mind the fact that industry in

our country should be protected. They did not go out and trade them down the river. In accordance with the testimony before our committee any industry which was seriously damaged, or threatened with serious damage would have the right to come before an appropriate committee and make a protest and at least hope to have some measure of relief. But there was an element spoken of as Yankee ingenuity or Yankee trading, if you please, which was the then announced basis upon which our negotiators worked with the negotiators for foreign countries. We came back from these trade-agreement meetings and at one time and another we claimed success. We sought to measure our success, and we seemed to glory in the fact that we were getting the better of the bargain. I submit to you that as of this day there is a new consideration found in the minds of our negotiators as they travel the world over considering reducing tariffs.

The new factor may be called a political consideration. Indeed Mr. Thorpe, in appearing before our committee, stated in effect that the protectionist idea was no longer a controlling matter with respect to the cutting of tariffs. There were other considerations, and under questioning he stated that conditions throughout the world in general was one of the other factors.

So I submit that no longer is the welfare of industry the only or the principal consideration as to whether or not tariff cuts should be made. Today the consideration that, in my opinion, dominates, is the matter of political wisdom as to whether cuts should or should not be made.

We are told that the trade-agreements program is part of the greater American program to improve the stature of the other nations of the world and that as such we must support our Government's policies. The great foreign relief program we are using today is the European recovery program, headed by Mr. Paul Hoffman, a great industrialist of our Nation. Undoubtedly he is doing an excellent job. My plea to you as Members of Congress is this, that in considering this trade agreement we should see its place in the over-all picture, which includes the European recovery program.

In that connection I would like to point to a statement by Walter Lippmann, wherein he points out that American industry must prepare itself to take a loss, to make sacrifices, if the European recovery program is to work.

Then I have a statement from Mr. Paul Hoffman, and this is enlightening to a Member of Congress today, one who has not particularly thought about what the European recovery program might mean to a business in his or her congressional district. He says:

The hope of European economic recovery does not lie in piling up a greater deficit in trade with the Western Hemisphere. What we hope to see is a gradual reduction in Europe's dependence on Western Hemisphere supplies and a marked increase in its exports to the Americas. That way lies Europe's hope of long-range solvency.

Then he goes along and he says this:

If this must be done—

That is, if more imports must come here and fewer exports go abroad, he says:

If this must be done at the expense of American exporters, I would remind you it is the only way for European creditors and debtors to settle their accounts.

The countries of Europe that are in the Marshall plan have recently filed a report with Mr. Hoffman. In that report they make no bones about this fact, that it is their deliberate purpose to do all the trading they can within the confines of the various countries participating in the European recovery plan. They do not plan to trade with the United States at all, so far as purchases are concerned, if they can avoid it, and they will not take our surpluses if they can get the surpluses somewhere else. However they do plan to sell us more and more of their products. That is all in black and white in this official report which has been made and which states that in 1952 and 1953, when the 4 years of the Marshall plan shall have been passed, there will then nevertheless be an adverse trade balance against the United States from a European viewpoint. In other words, Europe will not then be entirely self-supporting, but will owe the Western Hemisphere one or two billions of dollars.

So those of us who may be inclined to think that the Marshall plan will provide more moneys which will in turn purchase our supplies which are in surplus, have another guess coming. Europe will do all she possibly can to buy from within the zone represented by the member nations of the European recovery program.

Indeed, in Great Britain, in accordance with their report not yet made public, it is their plan to cut purchases from the United States over 1947 by some \$997,000,000. It is Great Britain's announced plan to ship into the United States \$794,000,000 more goods than she did in 1947 and to reduce imports from our country by \$997,000,000, a difference of \$1,600,000,000.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. PERKINS. Is the gentleman in sympathy with the European recovery program?

Mr. SIMPSON of Pennsylvania. I am; I supported it and I am in sympathy with it; I hope to continue to do so. My point is that the American producer must be realistic and realize that there is a sacrifice required of every industrialist in this country.

Mr. PERKINS. Does the gentleman consider that the reciprocal-trade-agreements program is needed as an active part of the Marshall plan?

Mr. SIMPSON of Pennsylvania. I do not. We must remain strong if we are to continue to be the source of these assets which presently are so vital to the recovery of Europe; we in this coun-

try must remain strong or we will not be able to help overseas.

Mr. PERKINS. In other words, the gentleman believes we should pursue the same path that we followed after World War I; is that correct?

Mr. SIMPSON of Pennsylvania. That does not follow. I submit that today in making gifts to Europe we are imposing a burden upon the American citizen by sending some of the products of his work to help the people overseas just as in the 1920's we did that, only at that time we sent it over disguised as loans.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. JENKINS. The gentleman's position is like mine that when foreign recovery reaches the point where the foreign countries are able to compete with us disastrously then it is time to do something else.

Mr. SIMPSON of Pennsylvania. Oh, yes; and the long-range program does not contemplate the free-trade markets between the United States and Europe that we did have after the last war when the European trade balance was favorable to us; they took so much more from us than we took from them that at the end of the year they had to settle with us in gold. That has been against us from their standpoint, they have not been self-supporting. It is a trend which has existed in European international trade for many, many years; hence, it must be an accepted fact that to help Europe recover we are to be deliberately discriminated against. Under present policies through the use of import licenses, only selected exports from the United States may enter the British Isles. These controls will be closer and closer as time passes. Soon we will sell nothing to Europe she can make herself, and we will be expected to open our doors for all the surplus manufactured goods Europe can produce.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COOPER. I yield such time as he may desire to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I am thoroughly in accord with H. R. 1211, introduced by the distinguished chairman of the Ways and Means Committee [Mr. DOUGHTON]. It is a bill that will, when enacted, be of tremendous value in again setting in motion the machinery for reducing world trade barriers. It was this machinery that our Republican colleagues, when they were in the majority in the Eightieth Congress, sought to sabotage with crippling restrictions. Although some damage was done to world trade by the hampering restrictions of the 1948 Reciprocal Trade Agreements Act, fortunately for this country and the countries of the world who are adhering to the capitalistic system, we, by the passage of the present bill, will be able to repair the damage. Trade barriers have long been a cause of war, and therefore it is in the interests of world peace and

our own national security that, as far as possible, these barriers be eliminated.

We cannot and should not confine our products and our industries within the limitations of unscalable tariff walls. We cannot isolate ourselves today economically any more than we can do so militarily. Economic isolation is a thing of the past and I hope will never again be revived. We need markets for our surplus foods and goods. Unless this surplus is made salable in foreign countries, it means an excess at home that will eventually mean overstocked food supplies and excess inventories that will eventually lead to the ruin of the farmer, the bankruptcy of our industries, and the unemployment of our workers.

New markets mean more avenues over which our surplus may be shipped to the benefit of business and agriculture in the United States. This bill will help keep our foreign markets open to us until at least June 12, 1951, when the Congress will take another look at the world picture and determine whether we shall again extend the Reciprocal Trade Agreements Act.

I recall in 1945 when our Republican colleagues were agreeable to the extension of the Reciprocal Trade Agreements Act for a period of 1 year. It seemed to me that if reciprocal trade agreements are correct in principle, then our colleagues of the minority should cease, each time the act comes up for extension, their obstructive tactics.

We are asking today for the extension of the Reciprocal Trade Agreements Act in virtually the same way we advocated in 1945; in fact, we are advocating the continuance of the scientific approach to the whole tariff question established in 1934 and its successful and unhampered operation, until the 1948 extension forced through the Congress by the Republican majority.

Our distinguished ranking minority Member has called attention to the fact that there are 800,000 farmers who are members of granges and he concludes that they are opposed to this legislation. Let me suggest to my distinguished friend that the results of the 1948 elections in the agricultural States give little support to the contention that the farmers are opposed to the Democratic concept of reciprocal trade agreements.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, so much has been said in the minority report and by Members of the minority speaking on H. R. 1211 that it is difficult for one in support of the legislation to decide just where to begin in arguing its merits. For some time I have been very seriously concerned with the charges which my good friend the gentleman from New York [Mr. REED] has made. As I recall the first time he made that statement was on May 21, 1947, in connection with the introduction of a resolution creating a select committee to investigate the loyalty of certain associates and advisers to the Under Secretary of State for many years. The gentleman today stated that he has upon a reliable basis

information that some nine individuals out of approximately 101 who attended the Geneva Convention in 1947 were either Communists or Communist fellow travelers. I have asked the gentleman, and I think it is his duty, to report such information as he has and the source of that information to those people in the State Department who are charged with the responsibility of conducting these loyalty tests. It is my understanding that every man who attended the Geneva Convention from all of the departments representing our Government, as the result perhaps of the original charge of the gentleman from New York, has been very, very carefully screened, not only by the heads of the departments employing those individuals but by the FBI itself.

I have a letter addressed to me, dated February 3, 1949, from Mr. John A. Peurifoy, one of the Assistant Secretaries in the State Department, which I shall include as a part of my remarks, and I hope and trust the gentleman will read it in the RECORD.

DEPARTMENT OF STATE,
Washington, February 3, 1949.
The Honorable WILEUR D. MILLS,
Committee on Ways and Means,
House of Representatives.

MY DEAR MR. MILLS: I understand that Mr. Charles Davis, clerk of the House Committee on Ways and Means, has requested the Department for a statement in connection with a question pertaining to the loyalty or security of certain members of the United States delegation to the International Conference on Trade and Employment held in Geneva, Switzerland, in 1947.

When this matter was originally brought to my attention, I requested the Division of Security to recheck the files of all officers and employees of the Department who attended that Conference. This Division advises me that:

1. All officials or employees of the Department listed as attending that Conference have either been investigated by the Department or checked with the Federal Bureau of Investigation. In most instances they have been investigated by the Division of Security in addition to being checked with the Federal Bureau of Investigation.

2. In no case has information come to the attention of the Division of Security either from the Federal Bureau of Investigation or other sources which would support the conclusion that any such person is either disloyal or a security risk.

I have also requested and received from the Secretaries (or other responsible officials) of the Departments of War, Navy, Treasury, Commerce, Interior, Agriculture, Labor, and the United States Tariff Commission, certificates or other written assurances as to the loyalty of their delegates to this Conference.

Needless to say, if any member of the committee will advise me of the nature of any derogatory information relating to any official or employee of this Department, I will personally undertake to see that the matter is thoroughly and completely investigated.

I shall be happy to make available to you any further information which may be of use to you in connection with this matter.

Sincerely yours,

JOHN A. PEURIFOY,
Assistant Secretary.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. REED of New York. I may say to the gentleman that I will include a letter from Mr. Hoover himself that the gentleman may read.

Mr. MILLS. I will be glad to do so, but I want him to put in the RECORD the names of the individuals, if the gentleman knows that there are Communists in the State Department. I believe it to be his duty in upholding the Constitution of the United States to divulge those names.

Mr. REED of New York. The gentleman can get that information from the executive department if he wishes to have it.

Mr. MILLS. The gentleman did not get it from the executive department. The gentleman said he got it from the FBI. If he did, why does he not make that information available, not only to us but to those in the departments of Government that employ these individuals? The gentleman knows he voted for legislation establishing the President's authority to conduct loyalty investigations. He did that. Now, if he has this type of information, I beseech him to give it to those departments that are charged with the responsibility of employing these people; otherwise I must assume the gentleman injects this argument in connection with reciprocal trade agreements because he and his colleagues have run out of valid objections to the program.

Mr. REED of New York. I may say to the gentleman that when you get a lead on these people and you give out their names it interferes with the operations of the FBI and the gentleman knows that.

Mr. MILLS. Well, the gentleman mentioned the name of a Mr. Wadleigh. The gentleman also mentioned the name of a Mr. Perlo.

Mr. REED of New York. I got those from the Committee on Un-American Activities.

Mr. MILLS. In what connection did they serve the trade-agreements program?

Mr. REED of New York. That was put in the RECORD today.

Mr. MILLS. Have they ever in any capacity been connected with the reciprocal trade-agreements program?

Mr. REED of New York. The RECORD shows the facts and I put them in and the gentleman knows it. It is in the RECORD for the gentleman to read and for all the world to read.

Mr. MILLS. I am asking the gentleman, in anticipation of my reading it, whether or not they have ever had anything to do with the reciprocal trade-agreements program?

Mr. REED of New York. Read the RECORD and the gentleman will see it.

Mr. MILLS. Were they at Geneva in 1947?

Mr. REED of New York. Oh, perhaps not, but they were the legal advisers of the people who were helping write the trade-agreements program and knew all the details.

Mr. MILLS. Will the gentleman put in the RECORD in connection with his remarks when these gentlemen were employed and in what capacity they served?

Mr. REED of New York. It is in the RECORD. They were read into the RECORD and the gentleman heard it.

Mr. MILLS. I did not hear it.

Mr. REED of New York. The gentleman should have been here.

Mr. MILLS. I was on the floor but I did not hear the gentleman say that these gentlemen had anything whatsoever to do with this program.

Mr. REED of New York. I tell the gentleman that it is in the RECORD.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. MASON. The statement that was read on the floor, and I paid careful attention to it, was that these men named in their own testimony before the Senate committee stated that they had things to do with these reciprocal trade agreements.

Mr. MILLS. The gentleman said that themselves?

Mr. MASON. Yes. They themselves said it in testimony before the Senate committee.

Mr. MILLS. Does my friend, the gentleman from Illinois, know whether they are now employed with the Department of State or not?

Mr. MASON. I do not.

Mr. MILLS. Well, it has come to my attention that they are not and have not been since 1944, and that the gentleman that they complain about the most was not even in the Department when the Swiss agreement was negotiated in 1935. They were not at the Geneva Conference in 1947 and had nothing whatever to do with it.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. It appears to me that some on the opposition side to this measure have come to the conclusion that they should oppose the measure because perhaps some fellow travelers are in favor of it. That is about the argument they are using.

Mr. MILLS. Of course, they know and you know and I know that there is no program that has been conceived by our Government to which the Communists in Russia or in the United States so vociferously object as the European recovery program and the reciprocal trade agreements program. Now, is there any argument about that? The Russian Government did everything that they could do to prevent the success of the Geneva Conference.

Does the gentleman from New York know whether or not these nine men he complains of participated in the movement to scuttle the Geneva Conference?

Mr. REED of New York. I do not know a thing about that, but I know exactly what this record shows here, which I read, and if the gentleman will yield time to me I will read it to him again.

Mr. MILLS. I am just as much concerned about this situation as the gentleman from New York is.

Mr. REED of New York. The gentleman seems to be very much concerned.

Mr. MILLS. Because of this: I cannot understand my friend's reluctance in divulging these names. If I had them, I would give them up to the State Department, or whoever employed them.

Mr. REED of New York. You cannot divulge the names of individuals when the FBI is following leads in its investigation. That has been the rule of the Government for a long time.

Mr. MILLS. How in the world did the FBI divulge the names to the gentleman then, if that is the rule it follows?

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. This charge has been made several times in the past; is that not a fact?

Mr. MILLS. Oh, yes; it has been made in the past.

Mr. BOGGS of Louisiana. I have been informed that the State Department sent a representative to the office of the gentleman from New York and asked to get these names.

Mr. MILLS. A gentleman by the name of Wilson, so I am informed.

Mr. REED of New York. That I do not deny, sir.

Mr. MILLS. The gentleman did not give the names to him, however.

Mr. REED of New York. Why should I give them out when they were making an investigation? Not at all.

Mr. MILLS. But the gentleman did not give the names to this State Department representative, did he?

Mr. REED of New York. I did not.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Why did they not go to the FBI and get the names?

Mr. MILLS. They have canvassed with the FBI just as much as the gentleman would if he were the head of the Department. They have been screened. The State Department has asked that everyone of them be investigated. I am not trying to defend anybody who is a Communist or fellow traveler, but what I want to know is why, at this late hour, when Mr. Perlo had something to do with the trade-agreements program from 1936 for a while—why at this late hour, when they have run out of arguments, just to find opposition to this program, the allegation of Communists among the administrative personnel now has to be injected.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. JENKINS. I do not know why the gentleman would want to bring the name of Wilson into this discussion. I know nothing about any of it. But, if Mr. Wilson wanted to find out, he is a representative of the State Department, as I understand.

Mr. MILLS. Mr. Wilson has talked to the FBI about every one of these people, and he did not receive the information that the gentleman from New York says he has received.

Mr. JENKINS. The gentleman did not let me finish my question. Why did not Mr. Wilson, if he is an attaché of the State Department, talk to the FBI and find it out himself?

Mr. MILLS. The gentleman has made a very diligent effort to do that but he did not receive this information. I hope the gentleman from New York will help us in our effort to ferret out these communists, and not keep these names to himself when matters like this come to his attention. I am interested in seeing all of them dismissed, and I know my friend from New York is. The easiest way to do it is to let the folks who employ them know the facts such as he has at his disposal.

I have read the report which has been filed by the minority members of the committee. I have attempted to analyze this report as best I can. I have even called on some of the minority members to advise me as to what they had in mind, and they have been nice enough to tell me what they did have in mind. I shall read the first paragraph of the report:

We of the Republican minority of the Committee on Ways and Means are opposed to H. R. 1211 for the reason that H. R. 1211 repeals, rather than extends, the Trade Agreements Extension Act of 1948, thereby eliminating the existing procedural safeguards to domestic producers and to our national security in the conduct of the trade-agreements program.

The Trade Agreements Extension Act of 1948 makes no special provision for safeguards to national security; in fact, it does not even make reference to national security. The Trade Agreements Extension Act of 1948 simply directs the Tariff Commission to determine the lowest tariff rates that can be established without causing serious injury or threat of injury to domestic industries, without regard to whether the industries are essential to national security or, for that matter, without regard to any other consideration. Even if the Tariff Commission were of the view that our national security dictated the lowest possible duties on imports of those strategic and critical materials which we have not produced in adequate volume—the Tariff Commission would still be obliged, under the present law, to be governed solely by considerations of injury or threat of injury to individual industries. Of course, the President is not legally prevented under the present law from disregarding the Tariff Commission's findings, but if he elected to do so, he would be placed on the defensive and would be forced to explain to the Congress the reasons for his nonobservance of the Commission's findings.

I wish the Members who signed that report would advise me in what particulars the 1948 act accomplishes that purpose of safeguarding the domestic producers and our national security.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Under the 1948 act, the Tariff Commission would find what we term a peril

point, a point below which a cut in the tariff would endanger or seriously damage an American industry. The President in preparing his trade agreements thereafter would not be bound to follow that recommendation. He could if he saw fit cut below that recommendation, and thereafter the President would have to report to the public, to the Congress, that he had cut below the level recommended by the Tariff Commission. That information would be available to the industry and would show the industry just what this administration saw fit to do, if the President by any presumed carelessness would cut the tariff below the recommended amount. That would provide a protection to the American industry.

Mr. MILLS. To the American industry, but would it provide any protection to our American economy, or would it provide any protection to our national security?

Mr. SIMPSON of Pennsylvania. The American industry and American economy are more or less synonymous.

Mr. MILLS. I understand from the gentleman's point of view they are, but American industry is only one segment of our American economy, of course. If the present law actually required the Tariff Commission to relate its findings to what would be perilous to our domestic economy, it would be a far better law than it is. The Commission would then have to take into account such considerations as national security, the interests of the domestic consumer, and the cost to the Federal Treasury. But under the present law, the Tariff Commission must relate its findings solely to what would be perilous to individual industries. The interests of individual industries are not at all synonymous with the interests of our domestic economy.

Mr. SIMPSON of Pennsylvania. The gentleman asked me two questions. With respect to national security, that information would be available to the public, and public opinion would rise up against any individual who would flout a recommendation of the Tariff Commission. I call to the gentleman's attention the matter of watches in this country.

Mr. MILLS. Yes; I want to discuss watches, if the gentleman will permit me, a little later. But the Tariff Commission is not instructed to report with regard to national defense.

Mr. SIMPSON of Pennsylvania. With respect to national defense, they are strategic and essential. Certainly if the tariff is to be cut to their harm, the American public should know it.

Mr. MILLS. Let me reason with the gentleman a few minutes, if I may. He insists upon the retention within the 1948 act of the authority of the Tariff Commission, acting as a commission, to determine peril points.

The premise on which the amendment is offered is that the peril-point procedure contained in the present act can achieve the objectives claimed. Under present law the Commission is considering 400 items. The Commission is allowed only 120 calendar days in which to establish peril points, which means that if the Commission devoted every

day of the week, and had nothing else to do, it would have to cover these items at the rate of over three a day. This is manifestly impossible if the Commission is to arrive at judgments which could be useful. In ordinary investigations, the Commission would seldom determine a rate for a single item in less than a month or two, and on occasions has taken over a year or more. The Congress cannot both require that the Commission shall make a scientific study of an indeterminate number of items and report in an interval of 120 days. Moreover, and perhaps a more serious objection, is that the whole concept of a peril-point is misweighed. The Commission is in effect asked to isolate just one of the many factors, and often one of the less important, which bear on the economic prosperity of a domestic industry. We deny that an industry which is protected from imports is automatically assured of prosperity.

Moreover, what constitutes a peril point? Any industry which has competition from imports has in it some "weak sisters." Marginal producers are those most vulnerable to competition, and there is never a time when an industry is receiving competition from imports that a reduction in duty does not hit someone. The question is, How far down the line do you want to go—what are criteria of serious injury? A peril point for a single industry may not be such for all other like competing industries but they will attempt to use it to obtain greater protection than they had ever before thought necessary.

The whole concept is one injected for the purpose of sabotaging the trade-agreements program, and the best evidence is that it is advocated and introduced by those who had always voted against renewal of the act. The fact that in response to public pressure they found they had to endorse continuation of some sort of trade-agreements program tempted them to inject into that program a lethal measure, and this is it. The Tariff Commission, as such, has never passed on the wisdom of the peril-point procedure, as evidenced in the Commissioner's testimony before the Senate last year. Commissioner Ryder's views are no different now than when he appeared and testified before the Senate in 1948, as follows:

I doubt the advisability of transforming the Commission into a policy-making agency and thus subjecting it more than in the past to political vicissitudes. The attempt to determine the degree to which duties may be reduced without injury to domestic producers or impairment of the national defense would require the making of such difficult and fundamental judgments that the Commission would in effect be making major policy decisions.

The element of judgment, of course, enters into the various phases of the Commission's present work. This is especially true of the duties which have been assigned to it under the escape clause in trade agreements. In cases under that clause, however, its findings as to whether serious injury to domestic industry has occurred or is threatened will be based on actual observation of the imports after the trade-agreement concession has come into force.

In contrast, the findings required under H. R. 6556 would have to be based to a large

extent, especially under present abnormal conditions, on assumptions and estimates as to future probabilities.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield ten additional minutes to the gentleman from Arkansas.

Mr. MILLS. I want to know whether the gentleman from Pennsylvania and his colleagues want a scientific study of the Tariff Commission, or a snap judgment.

Mr. SIMPSON of Pennsylvania. The gentleman implies that the Tariff Commission cannot do the job. The Tariff Commission was given the burden in the 1948 act. They have never complained nor said they would not do it. The assumption is that they will carry out the law, and the gentleman and the members on this side of the committee refused to invite members of the Tariff Commission to come before us so that we could ask them, and they could tell us, whether or not they could carry out the law.

Mr. MILLS. I can assure the gentlemen that we were not calling for the press, when the gentleman and his colleagues last year refused to let the press in. The gentleman, I am sure, realizes fully that the Tariff Commission in the past has spent as much as a year in attempting to determine the effect of imports upon a single item. I do not believe that the information that the 200 people employed by the Tariff Commission have, enables the Tariff Commission to advise the President within a period of 120 days of the effect of any import on any commodity about which there may be some doubt in the minds of anyone.

Oh, yes, you say it is nice to have this information given to the President. You say it is going to be in confidence, and that the Tariff Commission is acting to serve the President, so that when these individuals who negotiate these agreements come to him with the work done, he can put that alongside of the work done by the Tariff Commission and decide whether or not he will approve the agreement. It would not be so bad if a scientific study could be made, and if the President could really receive helpful information. The danger of it is this, and I wonder if the gentleman has considered this factor. The gentleman and I have been in Washington long enough to know that very, very seldom does a report or a statement of findings made by a department of the Government to the President fail to leak out. If it is going to leak out and if the Tariff Commission, on the basis of snap judgment, establishes a point below which it is dangerous to the industry, then to whom is this information going to leak? It is going to leak to the industry that is interested, and to the producer who is interested, and who wants that information. In what position, then, does that put the Tariff Commission? May I ask the gentleman from Pennsylvania, in the event that this producer should come to the Tariff Commission at some subsequent date under section 336 or 332 and ask for an investigation or study of injury

to him, would not the Tariff Commission already have committed itself?

Mr. SIMPSON of Pennsylvania. Certainly if the industry knew that those making the agreement were willing to sell his industry out by cutting below the peril point, that industry should come before the Congress and complain and undertake to safeguard it.

But may I ask the gentleman this question: Is it, or is it not, a fact that scientific study is made today before the cuts are made in tariffs?

Mr. MILLS. Not under the 1948 act. Mr. SIMPSON of Pennsylvania. Well, I mean in the past.

Mr. MILLS. Under the old law, yes. So far as the law in effect prior to the act of 1948, the gentleman is correct. The Tariff Commission could do this job in all probability if the gentleman would permit them sufficient time. But the gentleman wants them to establish a peril point on 400 items in 120 days at the rate of less than 3 hours per item. I would like to know how many employees the Tariff Commission would have to have in the gentleman's opinion in order for any of them or all of them to think that fast.

Mr. SIMPSON of Pennsylvania. I do not know, and I do not care. But I do say the industry should be heard.

Mr. MILLS. Is this not the gentleman's concern—that it is not possible for industry to be fully advised during the course of negotiations as to the cuts that may be in prospect for that industry? I think that is the concern of the gentleman and those who oppose a continuation of the old law. Does the gentleman realize that there is not one individual who sits on a trade agreements committee who can tell me or anyone else how much of a cut will be made in any tariff affecting any item until the negotiation has occurred? You say nobody knows how they have been received before the committees on reciprocity information. Nobody knows what impression he has made. Yes, they do. If there has been no reduction in the tariff affecting them, if there has been a very moderate reduction in the tariff, if the committee has not gone below the levels which the industry pointed out, is it not logical to assume that their arguments were considered? Certainly they were considered. The gentleman knows that.

If the gentleman had a valid position I would be perfectly frank. If it were practicable to establish a scientific peril point I cannot see any harm in it. But I do not want the President of the United States to be bound, in negotiating these agreements, on the basis of anybody's snap judgment. But now let us consider the second amendment relating to the escape clause. The gentleman's argument for an escape clause, which will be made tomorrow, I am sure will sound very plausible. Well, here we are. The administration has declared it to be the policy, and it has been the practice since 1942, to insert escape clauses in every negotiation under this act. Some trade agreements negotiated a few years ago did not contain escape clauses. It was thought very wise by the Congress earlier to include section 332, so that, in the event an industry could actually show threat of injury or existing injury, it

might have an opportunity to go before the Tariff Commission, the whole body, acting officially, and if it made a case, the Commission had the responsibility under the law—and they have it now—of making that fact known to the President of the United States, and he can terminate, modify by agreement or otherwise, everything that is in any reciprocal trade agreement.

What is the purpose of the Annecy meeting in France in April? The purpose of that meeting is to negotiate with 13 countries, 8 of which we already have agreements. If there are any new agreements arrived at at Annecy, every one of those agreements will have an escape clause. There will be some 10 agreements left without escape clauses. Now, what is the purpose that the gentleman expects to accomplish by a directive from the Congress that an escape clause be included in these agreements, when it is already the policy of the administration to include an escape clause in every one of them, and efforts will be made in the future to include such a clause in those that do not now have it? The only way in which such a clause could be included in these agreements is by negotiations; it cannot be done by congressional legislation. The United States cannot unilaterally insert such a clause in agreements which do not contain them. This recommendation therefore amounts to a request for the renegotiation of a number of trade agreements including the Swiss trade agreement. It is doubtful that such action is warranted at this time inasmuch as the United States is already in the process of renegotiating the outstanding trade agreements which do not contain an escape clause; all new agreements must, of course, incorporate such a clause.

Furthermore, if the executive is required to obtain the consent of these 10 countries to the insertion of the clause in our agreement with them, even without a rigid time schedule, a situation might easily come about in which the only alternative would be to denounce the agreement, thereby losing valuable concessions for United States exporters. Continuation of the present course of renegotiations on an over-all basis appears in general to be the most feasible procedure.

Mr. SIMPSON of Pennsylvania. After the Annecy agreement in April, there will be more discrimination than there is today, because certain nations, notably Switzerland, will not have any escape clause, which we propose to require.

Mr. MILLS. I am sure the gentleman is thinking in terms of the great hardship that has come to the Waltham Watch Co. That company did not have any great success in years past under a protective tariff. It has not gone any deeper in the red under the reciprocal trade-agreements program. The gentleman knows the testimony before the committee by a gentleman representing the Gruen Watch Co., to the effect that he tried to buy Waltham Watch Co. plant but only on terms, which were turned down, that he could modernize the antiquated plant. What is he doing? He is going out to Cincinnati and putting in a new plant out there, lock, stock, and

barrel. If only imports were hurting Waltham, would the Gruen Watch Co. manufacture its own parts in the United States?

The minority report, on page 5, asserts:

Alarming evidence was presented to the committee, showing that several of our industries which manufactured vital military equipment in World War II are in a critical condition as a direct reason of tariff concessions. The most publicized, but by no means the only example, is that of the jeweled-watch industry. The importance of this industry to our national defense is shown by the following letter from Lieutenant General Lutes.

I do not find that Lieutenant General Lutes' letter at all substantiates the charges made by the minority. The letter reports some employment data based on information supplied by Mr. Cenerazzo, an independent labor organizer who now represents the employees of three domestic companies. Lieutenant General Lutes' letter states further that the skilled manpower of the watch and clock industry is highly important to our National Military Establishment and that—

The maintenance of at least a minimum level of operation by the American jeweled-watch industry is vital to the defense of the United States and should be preserved.

I am not aware that any member of the majority has expressed a contrary opinion. Actually there is no dispute about this point at all. Lieutenant General Lutes does not say that there is any need to limit imports of Swiss watches or that the present domestic watch and clock industry is inadequate to meet the needs of our military services in the event of a national emergency. So far as I have been able to ascertain, neither Lieutenant General Lutes nor any other officer of the military services has ever officially advocated any restriction whatsoever of imports of Swiss watches. I respectfully invite the minority members to submit any evidence to the contrary.

The current controversy about the watch industry centers principally about bankruptcy of the Waltham Co. and the efforts of that company to reorganize on the basis of loans from the Reconstruction Finance Corporation and from others, including employees of the Waltham Co. The evidence submitted to the Ways and Means Committee at our hearings which ended last week indicates clearly that the Waltham Co. failed, not because of excessive competition from Swatches, but primarily because of the inefficiency and incompetence of its management and the obsolescence of its plant. Three other American companies that also make wholly domestic watches have been able to sell profitably all of the watches they have been able to make; and a fourth American company, which now imports all its watch movements, is in process of building a plant to manufacture movements in the United States. If competition from Switzerland were so foreboding, why would the Waltham Co. alone go bankrupt? And why would Elgin, Hamilton, and the domestic Bulova plant make such handsome profits? And why would a leading importer of Swiss movements

erect a watch movement plant in this country at this time?

I should like to clarify one other matter. In recognizing that the watch industry is essential to our national defense, we do not want to lose sight of the fact that it is not the only such industry. There are hundreds of others. Undoubtedly we could have used during the last war many more persons with watch-making skills, but we could also have used many more mechanics, opticians, doctors, aviators—and soldiers—and for that matter, many more janitors, street cleaners, handymen, and housemaids. The fact is, we were so much shorter of persons who knew how to make electric meters—and many other articles needed by the military—than we were of watchmakers, that our military had our watch industry manufacture many articles that it was no better equipped to produce than the manufacturers of electrical instruments, camera equipment, typewriters, and toy trains. If the situation had been just the opposite, that is, if electric meter makers, for example, had been obliged to turn to making watches, there might then be a concern about a possible shortage of watchmakers in a future emergency. Actually the domestic watch- and clock-making facilities in this country are now at an all-time high. The plants devoted to making these articles are still in process of enlargement and modernization, and thousands of GI's as well as others, have been trained in watchmaking skills since World War II.

I submit, Mr. Chairman that the reason the complaining domestic watch producers have not received relief from Swiss imports that they have not been injured by them, and not because the Swiss trade agreement lacks an escape clause. If the domestic watch industry were in fact being jeopardized by imports from Switzerland, I am confident that our military services would so advise and that the State Department or the Tariff Commission would take appropriate action. If need be, the Swiss trade agreement could even be terminated.

Only a short time ago the Tariff Commission made a thorough study of the watch industry at the request of the Committee on Ways and Means of the House and the Committee on Finance of the Senate. Its report is almost 200 printed pages. Nothing that appears in that report and nothing that has transpired since that report was written indicates—so far as I am aware—the need for the kind of restrictive action advocated by the three domestic complainants and Mr. Cenerazzo.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. REED of New York. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. REED of New York. Mr. Chairman, I think we have witnessed the greatest display of deep concern for the Communists. I brought the subject into this debate here today so that you people would not go blindly into this question of turning everything over to the State De-

partment to be run and handled, because as I pointed out in my speech we have a hundred critical industries in this country producing critical materials for war, and we are building up these types of industries all the time in this country as far as we can. These are vital to the defense of this country; they must not be traded away. As I pointed out today the purpose of the peril point is to see that they are not traded away under any circumstances. The greatest fact-finding commission we have in this Government is the Tariff Commission. Everybody knows it, every department of the Government turns to it, but not once during the existence of these trade agreements—and my distinguished friend, the gentleman from Tennessee [Mr. COOPER] said, the Tariff Commission had taken part in the making of these trade agreements. They have had individuals that sat in on these agreements, but as a commission it is never called on for findings on these peril points. That is a matter of record that cannot be disputed, because the record shows that never has the Tariff Commission as such been asked for its report on peril points.

Now, for the benefit of my friend from Arkansas who has become very excited in regard to the Communists: He wants nothing disclosed; he wants to stop all further investigations in regard to Communists in the State Department, and it is to be essential always that the names should not be disclosed. But here we have a report from a department that has investigated, a committee created by this Congress to aid them in knowing something about the Communist infiltration into this Government. I want to read from the report of the Committee on Un-American Activities, what they had to say. Here is their report on Victor Perlo:

VICTOR PERLO

Testimony of Victor Perlo, August 9, 1948: "I think I was officially an alternate member on the Committee for Reciprocity Information and the Trade Agreements Committee, which were identical or substantially identical in membership. These were interdepartmental committees which took care of all of the technical work in the preparation of trade agreements under the Reciprocal Trade Agreements Act and also to a certain extent a lot of preparatory work for the International Trade Organization."

On the same day, Miss Elizabeth Terrill Bentley, a former member of the Communist espionage ring, confronted Mr. Perlo and identified him as a member of this ring while she was active. When questioned on these charges Mr. Perlo refused to answer charging that his rights under the first and fifth amendments were being violated and that such answer "might tend to incriminate or degrade me." Perlo was also identified as a member of this ring by Whittaker Chambers on August 3, 1948.

Then we have this report from the Committee on Un-American Activities on Henry J. Wadleigh:

HENRY J. WADLEIGH

Testimony of Henry J. Wadleigh, December 9, 1948: "I was in the Division of Trade Agreements from 1936, until the war in Europe broke out * * * (superiors were) Henry Grade in the Trade Agreements Division, then Harry Hawkins, then Leo Pasvolosky, special assistant to the Secretary of State, and in Italy, Henry Grade * * * Mr.

(Francis B.) Sayre was Assistant Secretary in charge of the Trade Agreements Division when I first was employed there. Mr. Acheson later took Mr. Sayre's place."

On December 6, 1948, in an executive meeting of the Committee on Un-American Activities, Whittaker Chambers identified Julian Wadleigh (Henry Julian Wadleigh) as a source from which the former received documents for transmission to representatives of the Soviet military intelligence. When questioned by the Committee on Un-American Activities on December 9, 1948, Mr. Wadleigh refused to answer all questions dealing with such activity on the ground that such testimony might tend to incriminate him. Mr. Wadleigh has since been a witness before a Federal grand jury in New York and it is our understanding that he has been a cooperative witness.

Another is Alger Hiss. They had this to say:

ALGER HISS

On December 23, 1943, Mr. Francis B. Sayre, former Assistant Secretary of State, who was in charge of the Department's Division of Trade Agreements, testified that on April 28, 1936, he recommended that Alger Hiss be appointed as his assistant in the Department of Trade Agreements. He further testified that Mr. Hiss' duties included the legal preparation of trade agreements. Hiss was transferred to another division of the State Department on January 16, 1942.

You will recall that Mr. Charles Taft in testifying stated he was not employed in the State Department.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REED of New York. Mr. Chairman, I yield myself two additional minutes.

Continuing:

Attached herewith is the second report of the Committee on Un-American Activities on Soviet espionage within the United States Government.

A study of this report which contains facsimiles of State Department documents emanating from the Department of Trade Agreements and, according to Mr. Chambers, furnished to him by Alger Hiss and Julian Wadleigh for transmission to the Soviet military intelligence agent, will disclose to some extent the proportions of this leakage of information.

Alger Hiss is now under indictment by a Federal grand jury in New York for perjury.

If the gentleman from Arkansas is so concerned about these Communists and feels nothing should be said on the floor when they have had parts in this transaction why, then, I have nothing more to say. He seems to be wanting to defend these people, he seems to want to criticize me for bringing this to the attention of a group of citizens who are entitled to the facts.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman.

Mr. MILLS. The criticism of the gentleman, if I have any criticism of my beloved friend, is the fact he does not name nine men so that they can be fired from the State Department like all of these individuals he has just read have been.

Mr. REED of New York. I am not at all questioning the patriotism of the gentleman from Arkansas but he knows as well as I do and as every Member of this House knows, that you cannot interrupt

an investigation that is going on, and I have been told that often, when I have asked for certain investigations to be made. They do not disclose anything until the investigation is complete. I am telling you that investigation is going on now. It should continue until all the facts are disclosed and before we continue this reciprocal-trade-agreements program.

Mr. MILLS. I hope they get them all.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from New York that this spy ring was operating during the war, passing out these secret documents to our enemies at a time when our boys were dying by the thousands on the battlefields of Europe.

Mr. REED of New York. Undoubtedly thousands of our boys were killed as a result of it.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, during the course of the hearings on this bill I asked a representative of the State Department to name the foreign countries that have been helped by the reciprocal trade agreements, to list the countries and then for each country that was helped to list the industries that were specifically assisted, also the number of people that were restored to the pay roll in that industry. I did not get the information. I wish that someone on the majority side, if he has the facts and figures showing that any foreign nation has been helped by this program and can prove it with proper statistics, would put them in the Record so that we will have them tomorrow.

A great deal has been said about the evils of the old method of writing tariff legislation. We have heard a great deal about log-rolling tariff bills. It is my honest opinion, Mr. Chairman, that the action of the majority, the partisan position they have taken in regard to this matter, will do more to return this country to log-rolling tariff acts than anything that has been done in a generation.

Their determination to repeal the 1948 act and their refusal to call the Tariff Commission and the military department to testify were unjustified.

The Eightieth Congress extended the Trade Agreements Act. They attempted to try to throw around it some rules and some safeguards. Many of us believe in genuine reciprocity. We want some of that so-called Yankee trading. It would be foolish to say that the old tariff days were without fault and without evil. No one is arguing to go back. We want to go forward. If certain amendments are added I will support this measure.

The State Department should clean house with respect to the men connected with the trade agreements. Take this man Alger Hiss. The gentleman from New York made reference to his activity in regard to trade agreements. In the fall of 1945 in this Hall I placed in the

CONGRESSIONAL RECORD a statement asking the State Department to have the FBI investigate Alger Hiss and make that record known. It was not done. The statement of the gentleman from New York that Mr. Clayton journeyed to Switzerland to negotiate trade agreements and took nine Communists with him was not challenged in the committee. The State Department never denied it. Now, if there is anything in the world that the Communists want it is a depression in America and a weakening of our national defense. That can happen under the present system. You can call it a red herring if you want to.

I want to call as my witness the gentleman from Massachusetts [Mr. KENNEDY], who on January 25 stated on this floor:

Mr. Speaker, over this week end we have learned the extent of the disaster that has befallen China and the United States. The responsibility for the failure of our foreign policy in the Far East rests squarely with the White House and the Department of State. The continued insistence that aid would not be forthcoming unless a coalition government with the Communists was formed, was a crippling blow to the National Government.

Now, that is the crowd that is going to write your tariff law. That is the crowd that is going to determine the future of industries in this country that are so vital to our welfare. That is the group that is going to write the tax law that means the life or death over industries essential to our national defense.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I cannot yield right now. When I finish I shall be glad to yield.

Again, I say, the State Department in the hearings never denied that they took nine Communists and fellow travelers to Geneva to help plan world trade. It is quite evident that they took them to San Francisco. Anyone who reads Mr. Hiss' record knows that.

I would like to see this legislation amended so that I can support it. I would like to see an escape clause. The peril-point procedure should be retained. I would like to see some safeguards thrown around this law so that the national defense of this Republic could not be bartered away by men who either do not know or do not care.

I was one of those people who had hoped that we would have here in America following the war a growing, expanding synthetic rubber industry. We could have lost the last war if it had not been for the great strides we made in synthetic rubber production. That industry is very essential to our national defense. What has the State Department done in regard to it? Among other things, they have frozen rubber on the free list. We cannot impose a tariff against natural and synthetic rubber without violating our agreements. And that is not all. At the present time we are maintaining a synthetic rubber industry through the power that this Congress delegated to the President to issue directives requiring a certain percentage of our rubber to be synthetic. The State Department bound this country not to increase that

formula in favor of synthetic rubber production. Did they ask Congress about it? Did they come to the Committee on Armed Services? No, they did not.

It was not so many months ago that the chief champion for trade agreements that came before our committee was none other than Henry Wallace. About the last official functions of Alger Hiss were in connection with trade agreements. Again, I remind you that Mr. REED's charges were never denied by the State Department.

Now I want to say something about this great American watch industry of ours. Where would we be in America if we did not have that pool of trained workers, those experts whom it takes at least 10 years to develop, some of them, to make the timing instruments, these precision instruments so necessary to make machines of war? Our own Military Establishment sent up a letter stating that the maintenance of the watch industry is necessary for the national defense.

Mr. Chairman, I would like to call attention to a portion of the testimony of Mr. James G. Shennan which is found in the hearings:

The 1936 trade agreement with Switzerland reduced the tariffs on watches, and thereafter the American industry's share in the American market fell sharply. Subsequent to the 1936 trade agreement, four factors, in addition to the reduction of tariffs, operated to reduce further the tariff protection which remained to the industry.

First, in 1934, the United States reduced the value of the dollar. This is one of the reasons given in the Tariff Commission's digest of trade data on the trade agreement with Switzerland, for reducing watch tariffs by the Swiss trade agreement in 1936. Four months after consummation of the agreement, the Swiss devalued the franc by approximately 35 percent, but no compensating increase was thereafter made in the reduced tariffs.

Two, the tariff duties on watches are specific, that is to say so many dollars and cents per watch. The subsequent inflation has operated to reduce further, on an ad valorem or percentage basis, the protection left by the trade agreement and the devaluation of the Swiss franc.

Three, the duty on "adjustments," which was intended to afford progressively greater protection the higher the quality of the watch, has been rendered completely ineffective by the marking of imported watches as "unadjusted," regardless of the fact.

Four, the cost of watch-movement manufacture, which is practically all labor, has more than doubled in this country since the beginning of the war.

The dollar increase here has been disproportionate to that in Switzerland, inasmuch as we started from a higher base cost because of the much higher labor rates in this country. Our labor rates are approximately 2½ times those of the Swiss for comparable jobs.

Over 55,000,000 jeweled watches and movements have been imported into this country since 1941; the high point being 1946 when imports of jeweled watches exceeded the 9,000,000 mark.

During the first 11 months of 1948, the latest statistics available to us, the imports of jeweled watches exceeded 7,100,000. This is an average of almost 7,000,000 jeweled watches annually over the years beginning with 1941, as contrasted to an average of about 2,600,000 from 1936 through 1940, and an average of less than 1,000,000 for the years 1930 through 1925.

All of these watches are advertised and sold as jeweled watches, and are competitive with the products of this industry.

Waltham has already felt the full impact of this competition, and any weakening of the watch market in this country could have serious repercussions on the remaining companies in the industry. The break-even point of the American watch industry has steadily risen, during the war and since, and this requires a larger volume to sustain profitable operations than ever before.

Price increases were granted to the importers of Swiss watches by OPA during the war, and their profits were not subject to renegotiation. This, and their continued heavy volume during our reconversion, has enabled the importers, during and since the war, to more extensively advertise their brand names than ever before.

In addition to this advertising of brand names by the importers, the Swiss watch manufacturers themselves, within the last year, for the first time, have gone into a tremendous institutional advertising campaign promoting the Swiss watch in this country in an effort to enhance the already dominant position they hold in this market.

The trade agreement with Switzerland has been in effect since 1936, 12 years next month. During this period inflation and other influences have operated on the specific duties of the watch tariffs to completely obsolete them. In addition, the war took the American industry completely out of the market, and imposed on the American industry a difficult reconversion problem.

It is our opinion that this agreement, when it was entered into 12 years ago, was not intended to create an inflexible situation. But the agreement has never been changed in that entire 12-year period. Furthermore, the agreement does not contain an escape clause, as do the more recently negotiated or renegotiated agreements, and as is now required by Executive order.

Mr. Shennan went on to say:

We have been told by the National Security Resources Board that they anticipate Switzerland will be completely cut off in the event of another war.

Additional tariff protection, designed to equalize the cost of movement production in this country and the cost of movements to the importers, is necessary to insure the future of this industry as a matter of national defense, if for no other reason.

A great many governments are attempting to reduce imports by quota or exchange restrictions. We are not asking this. Under the conditions that exist today we do not think this is the answer to the industry's problem.

The American jeweled-watch industry is not seeking an advantage in the American market. Gentlemen, we ask only for equality at the border of the United States; we ask for realistic duties which will equalize the cost of a movement to the importer with the cost of a comparable movement made in America by American labor. From this point on, the material, labor, and other services required are, and should be, on a competitive basis.

Correct these tariff inequities by giving us equality at the border. It will stimulate American-movement production. It will attract others to the business. It may well attract Swiss importers to set up factories here. This we would welcome. It would stimulate competition. And furthermore, it would strengthen the defenses of this Nation by preserving and enhancing the skills necessary for the production of precision time mechanisms.

Mr. Chairman, it is a matter of record that the Swiss watch industry sold their timing instruments to our enemies in the

last war. Perhaps it will be said they were a neutral and had a right to do that. It must be borne in mind, however, that during that same time the American jeweled-watch industry went to war totally. Without it, we could not have attained victory. Since the war the Swiss have refused to ship watch-making machinery to the United States and have done everything they could to establish a world monopoly. I again want to call your attention to the testimony of Mr. Shennan.

Mr. CURTIS. What is the situation in regard to the past existence of an embargo on the export of watch-making machinery by the Swiss?

Mr. SHENNAN. The situation which arose in 1946 and still obtains is that we cannot buy any watch-making machinery from the machine builders in Switzerland except on a lease arrangement called *machor*, which has certain conditions in it that are very repugnant to the American theory of business which is to do the best you can and compete but not agree not to compete.

Mr. CURTIS. Is the Swiss watch industry pretty much of a controlled operation? How do they operate; do you know?

Mr. SHENNAN. Well, sir; it is rather complicated but in general there are several principal watch trusts that control and direct certain branches of the industry. There is one trust for watch manufacturers and one for parts, which includes the tool builders, one for the jewel makers and one for case makers. They are tied at the top by two organizations called the Superholding and also the Swiss Watch Chamber.

There is Government representation, or at least considerable interest, I am not too familiar with that. There is joint and central Government research, there is Government training of the engineers and tool makers, and in general I think that you can say that the trust, with Government blessings, controls everything they do.

That is a matter of public record, sir.

Mr. CURTIS. That interest of the Swiss Government continues on in their negotiation with foreign countries on watches?

Mr. SHENNAN. I would say they were very skillful negotiators.

Mr. CURTIS. Suppose the other two jeweled-watch industries in this country were to go the way of Waltham, and we hope that Waltham recovers, but in the event they do not, would that lead to pretty much of a world monopoly of the jeweled-watch industry?

Mr. SHENNAN. I would say that it would be virtually a complete world monopoly; yes, sir.

Mr. CURTIS. How long has it been since a new jeweled watch company was organized in the United States?

Mr. SHENNAN. A great many years. It has been a great many years since a new company was organized. However, the Bulova plant was started in 1931, if I am not mistaken, 1931 or 1932, and has been operating since that time.

Mr. CURTIS. That is carried on by a company that is also in the business of import, is that true?

Mr. SHENNAN. Yes, sir.

Mr. CURTIS. In other words, your battle has been to hold your own without much hope of expansion, speaking for the industry generally?

Mr. SHENNAN. Yes, sir; that is true.

I might say this about the plant which is built by an importer. He may have the same reason to be worried about watch production as the United States Government. He may wish, therefore, to hedge his investment in his brand name by having some manufacturing on both sides of the ocean which I

think is a reasonable sensible thing to do if you can afford to do it.

Mr. CURTIS. Now, if a more helpful climate could be created for the watch industry, that would have some degree of permanence and would not only protect the watch industry, that we have, but would make possible some expansion, would that be to the advantage of the American consumer and be of advantage to our Government from the standpoint of national defense?

Mr. SHENNAN. Yes, sir; I think it would. We do not believe in suppressing competition. I think in order to keep the industry on its toes, there must be a degree of competition but there comes a point when it is overwhelming. I do feel that if the industry had a chance to compete and grow, that eventually there would be benefits to both the consumer and to the national defense very definitely.

Mr. CURTIS. In other words, growth is a much better trend of things than mere maintenance of the status quo?

Mr. SHENNAN. I think if you stand still you very likely might go backward.

Mr. CURTIS. But from the standpoint of defense, we would not only be building up the factories and the machines to turn to but it would mean a new crop, a new-age group, of skilled workmen in more and new communities, would it not?

Mr. SHENNAN. That is the most important thing, as I see it, sir.

Testimony was submitted in our committee with reference to one particular type of watch movement that could be made in Switzerland, sent to this country, the reduced tariff paid on it, and the watch would still sell for \$4.40 cheaper than it could be made here in America.

Some of these importers took the witness stand. I asked one of those gentlemen about his production costs. He said he did not know. He was the treasurer of a company manufacturing watches in Switzerland. I asked him about his wage rates. He said he did not know. Throughout the hearings, you will find question after question put in an effort to find out the facts, and they said they did not know.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. HINSHAW. I do not have the current information, but not long ago we were receiving from 1 to 3 plane loads of watch parts per week from Switzerland, amounting to something between 5 and 10 tons of watch parts. Watch parts are very small and they make an awful lot of watches out of 10 tons of parts.

Mr. CURTIS. I thank the gentleman.

I yield to the gentleman from Illinois [Mr. MASON].

Mr. MASON. The latest information on the importation of Swiss watches is that they are coming in now at the rate of 9,000,000 watches a year.

Mr. CURTIS. I would like to have the attention of those Members who are interested in what the agricultural witnesses had to say. It has been said that the Farm Bureau favored this act. They did appear and speak generally in favor of trade agreements. I asked Mr. Kline:

Would you favor the reduction of tariffs on agricultural commodities in exchange for reduction of a foreign country of their tariffs on our industrial products?

Mr. KLINE. Well, the question taken just by itself, I would say "No."

I then asked:

In carrying out the trade-agreement program in the Western Hemisphere, does not that problem enter into it?

Mr. KLINE. Yes, sir.

I asked him:

Has the Farm Bureau any position with respect to further action by trade-agreement negotiators with respect to any one of the commodities such as butter, cheese, wheat, wool, and so on down the line?

Do you have any position with respect to any particular commodity?

Mr. KLINE. We have made here a statement of the general position, and within that position we reserve the right to take a look at things as they come along.

Mr. Goss, of the Grange, testified, and I want to give you a word or two from his statement. He said:

We do not believe H. R. 1211 will provide the type of tariff system the Nation needs.

Then he goes on to say:

In the Trade Agreements Act we made two basic changes—the abandonment of the principle of protection and surrendering the making of tariff rates to the executive branch of the Government.

First, we abandoned the protection policy and adopted a trade promotion policy. We adopted no rules to go by except to promote trade. We assumed that all trade is beneficial without regard to its effect on our producers.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman one additional minute.

Mr. CURTIS. May I also suggest that you examine the testimony submitted by the representative of the independent oil producers. That gentleman pointed out that concessions made allegedly to foreign countries were made to large oil companies, most of them being American companies, that the companies received the benefits, and they were not passed on to the country where this oil was produced.

A representative of the fruit and vegetable people from Florida gave to us the benefit of his own investigation in Mexico, he told how we reduced the tariff and an American company on the American side of the line produced those vegetables in Mexico and got the benefit of our tariff reduction and none of that benefit was passed along to the many Mexican people who did that work.

This act should be amended to prevent the growth of monopolies and trusts. Benefits intended for foreign workers should actually help them and not further exploit them.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I wish the membership would keep in mind that the minority report listed only two objections to the present measure. One objection was to the effect that the bill before us does not provide that every agreement shall immediately contain a so-called escape clause.

Now the true fact about the matter is that every agreement that has been entered into by this country since the year 1942 contains an escape clause and all future agreements will contain it. The State Department, the Interdepartmental Trade Agreements Committee, including the Department of Labor, the Department of Commerce, the National Military Establishment, and every other agency of the Federal Government concerned with the making of these agreements, have negotiated or are now negotiating, so that 18 out of 728 of our past agreements will contain this clause. The rest will be changed as soon as practicable.

Mr. Chairman, I wish the membership would also keep in mind that this act—this great Cordell Hull reciprocal-trade-agreements program—was first passed in 1934. It was renewed in 1937, renewed in 1940, renewed in 1943, and in 1945, and in 1948.

In other words, on six different occasions this question has been debated on the floor of the House and the floor of the Senate. We have gone through the agony in many instances of hearing the complaints of specific industries which were always afraid that they might be hurt. They always have the fear in their minds that the State Department and these other departments of the Government would negotiate concessions so that they would be put out of business; yet the record clearly discloses, Mr. Chairman, that in no single instance was any industry seriously hurt or damaged by any concession made under these reciprocal trade agreements. Every organization in the country that has, one might say, no special interest to plead is in favor of this great program.

Mr. Chairman, I wish to call the attention of the Members, now, to the fact that in 1934 the Republican members of the Ways and Means Committee voted against this program, they voted solidly; they were against it; they were high protectionists; they were high-tariff people. In their minority report they listed 24 reasons why the act would practically ruin the American economy. But, mark you, Mr. Chairman, at that time they did not say the Communists were behind this. There was no "Beware, the Communists are behind it." On five different occasions this question has been debated on the floor of the House for days and days at a time and on the floor of the other body, yet never did they bring up this red herring. They bring it up today because all of the 24 reasons they had advanced in previous debates have been shown to carry no weight. They are throwing a lot of dead cats, if I may use that expression, Mr. Chairman, at the present renewal of this act in unrestricted and unhampered form. It was even charged in the hearings, Mr. Chairman, that these reciprocal trade agreements were largely responsible for the oil monopoly enjoyed throughout the world by five or six oil companies. It was even charged with failure because it had not prevented a Second World War. That was charged on the floor.

It was even charged in the committee hearings that the reciprocal trade agree-

ments program was responsible for our not building up a sufficient stock pile of strategic materials; and on and on they go, trying to find excuses.

Why, they charged time and time again that the act was unconstitutional. That comes up at every hearing. The charge is made that the act is unconstitutional; and yet last year the Republican majority passed the act in practically the same form, insofar as constitutionality is concerned, as we passed it in 1945 and previous years, and as we are trying to pass it now.

Mr. Chairman, they pleaded last year in the hearings—in fact, it was pleaded here today—that we should return to the old logrolling days of the Smoot-Hawley tariff. They contended in previous debate on the floor that studies should be made of the difference in wages, studies which would probably take a couple of years to complete. They contend that we should obliterate the most-favored-nations clause.

Finally, we are down here today to the proposition that they have only two criticisms, each one of which evaporates after it is studied, by anyone not having a special interest to plead. So the only thing to do is to pass this bill as it has been presented to the House by the Committee on Ways and Means.

Last year the Republicans, of course, were in the majority, and it being an election year they were afraid to go before the great American voting public and say, "No; we are going to kill the reciprocal-trade-agreements program." But what did they say? They said, "We will renew it for 1 year." But then they hung so many dead weights around that program that it could not work. This is the testimony of those who were in charge of the operation of the program; and it was so stated by the President. The President has told us that the reciprocal trade program cannot be effectively and efficiently consummated because of the dead weights that were hung around it in 1948. I suggest, Mr. Chairman, that had there been a different complexion of the House today the matter of the reciprocal-trade-agreements renewal would not be on the floor of this House, because the high protectionists, the high-tariff lobbyists and the high-tariff Members of Congress wanted to kill the program. They were afraid to kill it outright last year but they thought they could do it and fool the American public by hanging these dead weights around it.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Ohio.

Mr. JENKINS. Why is it that the gentleman and his entire party, when they were in full power back in the heyday of the New Deal, never had the courage to extend it more than 3 years? Why did not the gentleman's party extend it and why do you not extend it now and make it permanent if it is so good? You have the votes, you have the power; why do you not do it?

Mr. EBERHARTER. When this great program was presented to the country and to the Congress of the United States,

Cordell Hull asked for a certain time. He thought it would be a good thing for the economy of the country, for the betterment of world conditions and he thought it would be a helpful aid to peace. He was of the opinion it should be tried for 3 years. So we just got into the habit of renewing it every 3 years in order to review it to see whether it is being properly administered. Every Congress since 1937, when the first act expired, has seen the wisdom of renewing it up until the Eightieth Republican Congress, at which time they thought they could kill the program, but, thank goodness, the wisdom of the American public is such that that scheme of theirs did not go through.

When the 1948 Republican platform was first presented to the resolutions committee in Philadelphia, it contained two paragraphs unequivocally endorsing the reciprocal-trade-agreements program, but after the platform was looked over they changed the wording to a vague phrase: "The Republican Party favors a system of reciprocal trade." They did not say anything about agreements. They just favored reciprocal trade. They were beginning to hedge.

Mr. JENKINS. Of course, we talked about reciprocal trade because we are the originators of it. As I said in my remarks this afternoon, the reciprocal-trade-agreements program is a Republican matter, but we managed it under a system by which the officials down here in the Washington departments were responsible to the Congress. That is where it ought to be.

Mr. EBERHARTER. I will tell the gentleman what you did last year. You reported a bill out of the Ways and Means Committee unanimously supported by the Republican membership. You reported it under a gag rule so that no amendments could be offered and with only 3 hours of general debate. No amendments could be offered, as I said. That bill was passed by the House under the whip of the Republican majority, and the bill was so bad that Secretary Marshall said he would rather have no bill at all because the bill was so bad nothing could possibly be done. There was such a protest throughout the country at the terms of that bill that the other body, after studying the matter a little bit, improved it to a great extent. There is no question but what the Republican membership was committed to killing the program and the act they passed would have killed the program if it had not been for the other body and we would not have been able to start the negotiations that have already been held.

Mr. JENKINS. If this is such a terrible thing we did, why did President Truman sign the bill?

Mr. EBERHARTER. I said what the House passed was so terrible the Secretary of State made the unequivocal statement in writing—it is in the CONGRESSIONAL RECORD—that he would rather have no measure at all than the one passed by the House. The other body made some improvement and corrections in it which were accepted because we had a little foresight. We thought perhaps we could start preliminary nego-

tiations and in the fall of the year we could correct it. That is what is coming about, Mr. Chairman, we are correcting the dark deeds that were done last year.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Is this bill open to amendment? Is the bill subject to amendment on the floor of the House?

Mr. EBERHARTER. Oh, yes. We Democrats follow the policy, of course, of having free and open debate, as many hours as you want today, then tomorrow you will have all the opportunity you want to offer amendments, provided they are in order. We made it an open rule in order to give all of the Members, including the gentleman from Massachusetts, if he wants to, an opportunity to offer amendments. We did not do anything like was done last year.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the distinguished gentleman from Pennsylvania remembers that the bill brought in last year by the Republicans was under a closed rule, with no amendments permitted except those offered by the committee.

Mr. EBERHARTER. Yes. I hope the gentleman from Massachusetts will remember that. I assume, perhaps, that he wanted to offer an amendment last year, but his leadership would not permit him to do it by reason of the gag rule that was in effect.

Mr. BATES of Massachusetts. The rules were broad enough to protect our interests. I want to know whether this bill will be subject to amendment that will give us a chance to protect our fishery, and boot and shoe, and watch industries.

Mr. EBERHARTER. I am glad the gentleman mentioned fisheries. Let me tell you something about that poor fishing industry. I think I have it here. The fishermen came down from New England. That is the section where the gentleman from Massachusetts comes from. They painted a very dismal picture about the flood of fish that were being imported. The whole industry was simply being ruined. It was a pitiful situation; pitiful. Well, Mr. Chairman, we wanted to get the facts on this problem of fish, and we asked a few questions. We asked them how many additional boats would be needed by the New England fishermen to bring in the fish that were being imported. What do you suppose the answer was? Six boats would bring in all the fish that were being imported, that were ruining the fishing industry. Afterward they reduced that figure. But, you know, if six boats can ruin a fishing industry, it is a pitiful situation. I will say to my colleague from Massachusetts.

There is another point I want to bring out.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I think the gentleman is well acquainted with some of the fishery-industry men that came down and testified.

Mr. BATES of Massachusetts. I am sure the answer was incorrectly given or accepted. Even six vessels will not bring in 54,000,000 pounds of fish a year. I think the gentleman will agree to that.

Mr. EBERHARTER. I do not know how many fish there were. It depends on how big they are. Of course, there are different sized fish. Some member of the committee—I think it was the gentleman from Tennessee here—asked about the average annual income of these fishermen. I hope my colleague from Massachusetts will listen to this. You know, the crews of these fishing vessels are not paid wages; they are paid a share depending upon how many fish are caught. The answer was that the average earnings were around \$5,000 per man per year last year. Of course, in 1945 they only made \$4,500 a year—these poor fishermen. Now they are making about \$5,000. Then the gentleman from Tennessee [Mr. COOPER] asked about their production. The production, Mr. Chairman, has doubled over what it was before the war. So, they certainly need a lot of tariff protection.

Oh, I have a lot of other instances here, Mr. Chairman. Here is one industry representative—I do not want to mention his name because it might embarrass the whole industry—but he was just weeping about what the imports were doing to their particular industry, or the industry he was speaking for. "We have the competition of these cheap imports from abroad," he said. "One manufacturer felt the competition so he had to do something he had never done before." We waited and waited and waited for the answer, and what do you suppose this manufacturer had been forced to do? He had been forced to advertise. That is the first time he had ever been forced to do that in all the history of his business. So he had been forced to advertise because of these serious imports that were coming in here.

They bring in this question of communism. The gentleman from Nebraska [Mr. CURTIS] said that these Communists are the ones that are forming this State Department policy; that they are the ones that are going to make up these trade-agreement programs. I suppose if there are any Communists to be found in the Government, that will be justification for every Republican Member to take a stand against every bill that is recommended by the President of the United States and by the departments down here—merely because somebody accuses somebody else of being a fellow traveler or having communistic leanings. It is easy to find a reason, you know, if you just point to somebody's name, Alger Hiss or somebody like that. Then we should oppose these programs, it is argued.

Mr. Chairman, I want to call attention to the fact that the United States Chamber of Commerce, the United States associates of the International Chamber of Commerce, the National Foreign Trade

Council, the National Council of American Importers, the National Farmers Union, the American Farm Bureau Association, the Congress of Industrial Organizations, the American Federation of Labor, and about 80 percent of the people of the United States are in favor of this program, so this flank attack, this attack by these special pleaders that come down here time after time, pleading especially the fear that something might happen to their industry—I think we should just about consider their true value and remember that they are special pleaders and pay no attention to them, because in the entire history of this act, since 1934, which is 14 years, at least, there have been only three complaints filed in the Tariff Commission. Two of the complaints were dismissed by the Tariff Commission itself as having no evidence to support their contention that they might in the future be injured, and the third complaint is still being investigated and has not been decided.

So, Mr. Chairman, I hope that on tomorrow, when some of these amendments are offered which really have no merit to them whatever, at least our side of the aisle will stand fast and send to the other body the measure which the President of the United States asked for, which the Democratic Members ran on their platforms when they campaigned for reelection to this body and for new election to this body. Let us go on in such a manner that we can show the European countries and all the rest of the world that we really mean it when we say we want to remove trade barriers, we want to have more international good will. We not only want to help raise the standard of living of the people of the United States but we want to help Europe recover. Let us go forward in a more peaceful world and not throw up barriers and set a bad example to all the rest of the world.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. Mason].

Mr. MASON. Mr. Chairman, the Eightieth Congress passed a 1-year extension of the Reciprocal Trade Agreements Act and placed in the law a provision that in effect reestablished the United States Tariff Commission as an agent of the legislative branch of the Federal Government. The 1-year extension was made in order to have the law expire at the same time the charter of the International Trade Organization will come before this Congress for consideration, so that these closely knit Siamese twins, the ITO and the Reciprocal Trade Agreements Act, might be considered by Congress at one and the same time.

The Tariff Commission, when first set up, was an agent of the Congress, bipartisan in make-up, composed of experts. In 1934, when the Reciprocal Trade Agreements Act was passed, the Tariff Commission was buried in and subordinated to the executive department. Many of its findings and reports thereafter were made to the President and kept from the Members of Congress. The Eightieth Congress, in extending the Reciprocal Trade Agreements Act, in substance reestablished the Tariff Com-

mission as an agent of the Congress, but provided that the Commission make a report to the President for his guidance in making future trade agreements. If for any reason he disregarded the findings of the Tariff Commission as to peril points, then the President would be required to make available to the Congress the Tariff Commission's Report, along with his reasons for disregarding the recommendations of the Commission as to peril points.

H. R. 1211, now before the Congress, proposes to repeal the 1948 act; to extend the period for 3 years from last June 12; to bury or subordinate the Tariff Commission again within the executive department; and to divorce it from the legislative department. Is that what we want to do?

Mr. Chairman, the United States adopted its reciprocal trade program in 1934. The program has been in operation 14 years. Its objective is to reduce or remove world trade barriers and permit the free flow of goods between countries, thereby removing one of the principal causes of war. That is an excellent objective, a very worthy purpose. How has it worked out? Testimony given before the Ways and Means Committee at recent hearings brought out the following very disappointing facts:

First. After 14 years, world trade barriers are greater today than ever before.

Second. We have experienced World War II, and the world today is in greater fear of war than when the Reciprocal Trade Agreements Act was adopted.

Third. American industries are being injured, American workers have lost their jobs, even though the full impact of the program upon our American industries has not as yet fully materialized.

Dr. Clair Wilcox, formerly Director of the Office of International Trade Policy of the State Department, and one of the best-posted men in America on our foreign-trade program, in commenting on the results of the 14-year record of our reciprocal-trade-agreements program, made this statement before the United States Chamber of Commerce Institute on June 15, 1948:

The trade of the world today is more tightly regimented than it ever has been before in history, in time of peace. The tariff is the old-fashioned method of restricting trade. It is the mildest method of restricting trade that exists at the present time. As a matter of fact, a nation that confines trade restriction to the use of a tariff today can be said to be pursuing a liberal trade policy.

The June 1948 monthly letter of the National City Bank of New York contained the following statement:

Foreign producers criticize our protective duties on certain articles. Nevertheless, the United States market generally is freer of access today than practically any other market in the world.

Mr. Chairman, embargoes, quotas, preferences, import license restrictions, currency manipulations, subsidies, state trading, and other restrictive trade devices have been adopted by foreign nations to control the movement of trade. They are much more restrictive than simple tariff barriers. Our feeble tariff barriers are as nothing when compared with the trade barriers set up by govern-

ments that have entered into reciprocal trade agreements with us.

Mr. Chairman, we have built up a watch industry in the United States that gives employment to scores of thousands of workers. These workers are paid a reasonably high wage that enables them to live decently upon a standard of living that is the highest in the world. Switzerland, under our reciprocal-trade-agreements program, has been dumping millions of watches on our American market at far less than it costs to manufacture them here. This has forced our factories either to go out of business or to go on part-time production. What is the difference between importing cheap labor to compete with our American labor—which our immigration laws forbid—and importing the products of cheap labor to compete with the product of our factories—which our reciprocal trade program permits—thereby robbing our factory workers of their jobs?

Before World War II—1931-35—47 percent of the American market for jeweled watches was supplied by imported watches from Switzerland, and 53 percent of the American market was supplied by our own American jeweled watch industries. In 1936 we negotiated a reciprocal trade agreement with Switzerland. Later our American watch factories were retooled and converted for war needs, making precision instruments for the Army and Navy. Switzerland then took over the American market for jeweled watches to such an extent that by 1946 Switzerland supplied 86 percent of the jeweled watches sold in America.

Since 1941, when we entered the war, a total of 59,000,000 Swiss watches have been imported. During the last 4 years, 1945-48, an average of more than 9,000,000 Swiss watches were imported each year. This importation of Swiss watches under our reciprocal trade agreement with Switzerland has seriously damaged our American-watch industry. Today there are only three American-jeweled watch companies left in the United States, Elgin, Hamilton, and Waltham, and the Waltham Watch Co. is already bankrupt and in the hands of a receiver.

Mr. Chairman, the serious question concerning the American-jeweled watch industry is the important part it plays in national defense. It is absolutely essential that a pool or reservoir of skilled watchmakers be maintained, to be drawn upon in time of war to make precision time instruments—chronometers, fire-control watches, time fuses, aircraft instruments, jewel bearings, etc.—without which not a battleship nor a warplane can be operated, not a bomb can be dropped, not a torpedo nor a rocket bomb fired, until a delicate timing instrument to operate it has been installed. There is no other source for the kind of skill needed to make these precision instruments other than the jeweled-watch industry. Yet our reciprocal trade agreement with Switzerland has almost destroyed our American jeweled-watch industry, an industry so essential to our national defense.

Switzerland has captured the world trade in jeweled watches. Even the

American market has been taken over to the extent of 80 percent. Switzerland furnished practically all of the precision instruments used by Germany in the last war. She also furnished most of the precision instruments used by our European allies. She could do this because she was a neutral in the war. Do we want to become dependent upon Switzerland in time of war for precision instruments? Dare we risk such dependency?

Mr. Chairman, after 14 years of experimentation with reciprocal trade agreements, it is time for us to "stop, look, and listen"; it is time for us to analyze, to weigh, and to measure the results of the reciprocal trade program before we extend it for 3 more years, without the safeguards that were placed in it by the 1948 act. A careful analysis of the results of our 14 years' experience convinces me of the following:

First. The program has not contributed to international goodwill.

Second. The program has not removed nor reduced world trade barriers with the exception of our own.

Third. The program has neither prevented war nor removed the threat of war.

Fourth. The program has already damaged some American industries and thrown some American workmen out of work, even though the impact of the program upon our economy has not as yet fully materialized.

For these reasons, Mr. Chairman, I am opposed to the passage of H. R. 1211 without proper and necessary safeguards being incorporated in the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I intend, in what I am going to say, to deal principally with the question of the jeweled watch industry as affected by our reciprocal-trade agreements, which subject has been discussed by two or three preceding speakers, including the gentleman from Illinois [Mr. MASON] and the gentleman from Nebraska [Mr. CURTIS].

Before doing that, however, I want to talk just briefly on two other points discussed by preceding speakers.

The opposition to this bill has repeatedly discussed the peril-point proposition—that provision of the law of 1948 whereby the Tariff Commission is authorized to make a finding of that point below which, in its judgment, tariff rates cannot be lowered without injury to particular commodities. Instead of that provision being to the benefit of the manufacturer, it so hamstrings our representatives in negotiating trade agreements as to work against the American manufacturer. Let us follow that thought a little further. The theory of reciprocal trade is that the representatives of our country and other countries will sit around the table, and that mutual concessions will be made. In return for a concession made by us in respect to an article the negotiating country will make some concession with respect to the admission of American goods. In some instances instead of keeping out or reducing imports by high tariffs which would increase the cost to the American

consumer, an agreement is negotiated whereby we limit imports.

It is necessary that our negotiators shall be free at the conference to make adjustment in return for concessions made to us by other countries. The peril-point theory as injected into the law by the act of 1948 removes the Tariff Commission from negotiations and requires it to sit back as a sort of separate entity to make a finding before the negotiation begins as to the point below which a rate cannot be lowered. That is an invitation to the American negotiators to go down to that point. Mr. Thorpe, testifying for the State Department, said that in many instances the negotiators had not gone as far in the reductions in certain tariffs as they would have been authorized to go by the findings of the Tariff Commission. From 1934 on to last year the members of the Tariff Commission with their expert knowledge and information sat in the negotiations. They could express then and there their view concerning the peril point, and lend their expert advice and assistance in the negotiations. But the effect of the restrictive amendment of the act of 1948 is to take them completely out of the negotiations, forbid them the right of attending the sessions where these agreements are negotiated. They are left in this country. Thereby our negotiators are deprived of the advice and expert help, counsel, and judgment of the Tariff Commission. In the second place, we talk about the danger of imports. Among nations, as among men, no nation can purchase more abroad than it can sell; it cannot long buy more than it sells without bankruptcy. If other nations are to buy our goods and pay their debts to us, they must sell us their goods and services. All over the world, from World War I on down, the world has maintained an uneasy sort of economic unbalance in which we have kept up world trade by grants and loans and the purchase of foreign gold which we buried at Fort Knox while the economy of the other nations languished. At long last we came to the viewpoint that trade is not a one-way street. That world prosperity depends on world trade. We came further to the viewpoint that we could not long maintain the prosperity and the freedom of our own Nation as a little island of prosperity and peace in a world-wide sea of rags and misery. That is the basis of the whole reciprocal trade agreements program.

A while ago the gentleman from New York, for whom I have the greatest respect, was tracing our downward decline toward a Niagara of destruction, as a result of reciprocal trade. I could not help but reflect that last year the profits of the American economy, the corporate profits of our Nation after the payment of taxes reached the highest peak in the Nation's history. Where is the Niagara? It does not exist except in the imagination of those who oppose the program that has worked so successfully for 14 years.

One other thing the gentleman from Nebraska referred to the grave harm done to the synthetic-rubber industry by the policies of the State Department.

This happens to be something I know a little about, for the biggest synthetic-rubber plant in the world is located in my district, at Port Neches, Tex. It has a rated capacity of 125,000 tons of synthetic rubber a year. Right now it is operating at more than 50,000 tons a year above its rated capacity, turning out the synthetic rubber that goes to your tire plants in Ohio and other places. It is turning out this rubber for several cents a pound cheaper than you can import the natural rubber. It has increased the life of automobile tires more than double. They are now installing a new process, making "cold rubber," which will add one-third longer life to passenger-car tires. Because of this industry, which has been fostered by the policies of our Government, we have kept the price of automobile tires away down below what other comparable products have gone to in this period of inflation. At no time has the synthetic-rubber industry flourished as it is flourishing today. The gentleman from Nebraska was without his facts when he said that the policies of our Government have injuriously affected the synthetic-rubber industry.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Nebraska.

Mr. CURTIS. Is it not true that we have bound ourselves never to impose a tariff on rubber?

Mr. COMBS. I do not know about our binding ourselves. I know that our agreements have escape clauses. I know we have the rubber and we have it cheap and we have the best rubber and our rubber plants are operating successfully. So why worry?

Mr. CURTIS. Is it not true that we have bound ourselves not to increase the percentage of synthetic rubber that is required to go into our domestic consumption?

Mr. COMBS. There may have been some agreements with local industries. I do not know.

Mr. CURTIS. No, with foreign countries.

Mr. COMBS. With foreign countries?

Mr. CURTIS. Yes.

Mr. COMBS. The agreements we have so far may have been made to protect the American synthetic rubber industry. I'm not familiar with the agreements you refer to, but I do not think our synthetic rubber plants are operating at capacity production. The agreements may have been to protect against foreign imports.

Mr. CURTIS. That is not borne out in the hearings by testimony of the State Department.

Mr. COMBS. We will not argue that now.

Now let us go to the watch question. First of all, considerable argument has been made that the policies of our Government are completely wrecking the jewel watch industry and that this is going to sabotage our national defense. For fear some of you may overlook it, the chairman of the Committee on Ways and Means placed in the RECORD this morning a letter from the Hon.

James Forrestal, head of our defense establishment. I want to read you one paragraph of that letter:

The domestic jewel watch industry has fulfilled its role in our program of national defense, and I am not aware that its capabilities have been adversely affected by the Reciprocal Trade Authority.

During the hearings before the Ways and Means Committee it became evident that opponents of reciprocal trade extension would use the Waltham Watch Co. as a horrible example of the great injury they contend is being done American manufacturers in general, and the watch industry in particular, by foreign imports under our reciprocal trade program. Much interesting testimony on this subject came out during the hearings. But knowing the opponents of the pending bill would use the alleged injury to the watch industry by Swiss imports, and that the present difficulty of the Waltham Watch Co. would be used as an example, I decided to pursue a little research in an effort to discover what the real trouble with the Waltham Watch Co. is. Several witnesses, including Hon. Charles P. Taft, made the statement that Waltham's difficulty is not due to foreign competition but to mismanagement. I shall shortly submit some facts that I think support this view beyond question. But before doing this let me make these observations.

The Waltham Watch Co. is about 100 years old. Its product bears an honored name in the American watch business. The company is now in financial difficulties and is undergoing a reorganization that I sincerely hope will put it back on its feet as one of the fine and prosperous industries of this country. The mayor of the city of Waltham and the entire citizenry of the community and the 2,300 employees of the Waltham Watch Co. have banded together and are digging into their savings, mortgaging their homes, and pledging portions of their future pay in order to raise a part of the capital needed to get the company on its feet again. I may add that the employees at Waltham have foregone requests for two pay raises that have been received by employees of other companies, and in one instance took a cut in their wages. The people of Waltham and the people of all Massachusetts, for that matter, are proud of the name and prestige of the Waltham watch. And I am sure the people of all America recognize with pride the efforts the employees and citizens of Waltham are making to rehabilitate their great industry. It is the same fine spirit the members of the Massachusetts community exhibited nearly 175 years ago. I am sure that every one of us wants our Government to do everything it can to assist these valiant Americans, and I am sure that it will be done. As a matter of fact, I am advised that RFC has agreed to extend a loan in the amount of several millions of dollars to assist in the modernization and rehabilitation of the Waltham Co. conditioned upon a reorganization that will insure successful operation.

But today we are debating a bill which would restore and extend the reciprocal-trade-agreements plan first inaugurated

in 1934. And we are here met with the argument that the troubles at Waltham are caused by foreign competition. Is Waltham a case where a successful and prosperous company has been wrecked by imports under reciprocal trade? Or is its present plight the result of the failure of its management to use sound and modern methods of manufacturing techniques, sales, and financial policies? Well, let's see what the evidence is.

Mr. Cenerazzo, the president of the union representing the watchmakers in the plant, stated during his testimony before the Ways and Means Committee that mismanagement—and he emphasized financial skulduggery as well as poor choice of equipment, lack of advertising, improper distribution methods and other errors—was the primary difficulty at Waltham. A statement from the mayor of the city of Waltham read before the committee quoted the findings of two surveys of the situation to the effect that mismanagement and lack of working capital were the reasons for Waltham's condition.

Unfortunately, this condition seems to be nothing new at Waltham.

In the last day or so I have had the opportunity to examine a book entitled "Timing a Century"—history of the Waltham Watch Co. It was prepared by Mr. Charles W. Moore and published in 1945. It seems the study was suggested by the president of Waltham, and the Waltham Co., according to the preface in the book, provided financial assistance in publication. Now here are a few of the many interesting facts revealed by the book. Waltham Watch Co. was founded in 1850. But in 1857, only 7 years after it was established, it went through bankruptcy, was sold by the sheriff at auction for \$56,000, and the proceeds prorated among its creditors. The company was promptly reorganized but was forced to close in September of that same year. It was reorganized and from 1859 to 1882 the company prospered in large part because of the demand which developed for watches during the Civil War. In 1864 the Elgin Watch Co. was organized and later two other companies were established. These companies began a strong competition and in 1891 Waltham found itself again in difficulties. It barely survived the panic of 1893. By 1901, however, the Waltham Co. was again prosperous. It seems that a sort of working agreement, or trust if you please, had been worked out among the American watch manufacturers so that they sold their products to the American people at a much higher price than they sold on the foreign market.

I recall reading, when I was a child, a statement, from William J. Bryan who was fighting high tariffs, in which he stated among other things that he had purchased a Waltham watch at a jewelry store in London for about one-half of what the same watch would cost him at an American jewelry store. This was around the turn of the century. But by 1904 President Theodore Roosevelt began his trust-busting crusade and the Waltham profits began to decline. And during the panic of 1907 declining earnings of the company, decay of management, and manipulations of securities sales

caused a stockholders' revolt. The company again went through the wringer and was reorganized in 1910. It then began to diversify its production by adding traveling clocks, automobile clocks, time fuses, and automobile speedometers. Sales to the Government during World War I contributed to the company's earnings and it seems to have done very well until the depression of 1921 when Waltham again faced bankruptcy. This time, incompetence of the managing executives was a controlling factor. The company was saved from collapse at that time by liberal loans from banks, and the banks took it over. Their management was not successful and the Waltham Co. was again reorganized in 1923. The new management recognized that Waltham had not been producing what the market wanted, that the Swiss was setting the pace and style, particularly in small wrist watches. There was also recognition that the Swiss had developed superior watch-making machinery, and that Waltham prices were too high.

Waltham seems to have done very well until the beginning of the depression in 1930 when it again found itself in difficulties. It then spearheaded the move to curtail imports of watches and along with other domestic watch companies, Waltham was successful in getting into the Smoot-Hawley Tariff Act, the highest tariff rates on watches that this country has ever had. But instead of helping the situation it caused bootlegging of watches into this country and other difficulties. The outbreak of World War II produced war orders which enabled Waltham to keep going. But by 1944 it was in difficulties again, and changed presidents. It went into bankruptcy early this year.

These facts, it seems to me, establish beyond question the truth of the observation of Mr. Taft and other witnesses that Waltham's trouble is internal and is not due to foreign competition. There are many other facts that could be submitted in support of that view. For example two other American watch manufacturing companies, Elgin and Hamilton, have just completed the best year in their history—selling more watches, making as much or more profit as ever before. They did almost as well in 1947. Mr. James G. Shennan, president of the Elgin National Watch Co., has supplied the committee with information as to the combined sales, combined net profits, and the percentage of profits on sales made by three American watch manufacturing companies, Elgin, Hamilton, and Waltham, for the years 1940, 1941, 1946, and 1947. I want to read these figures to you:

Year	Combined sales	Combined net profit	Percent of sales
1940.....	\$25,857,000	\$2,724,000	10.53
1941.....	33,413,000	3,000,000	9.16
1946.....	39,902,000	1,950,000	4.89
1947.....	49,131,000	1,830,000	3.72

Elgin and Hamilton have been working at capacity since they reconverted from war work and, according to a statement in the National Jeweler of December 1948, page 274, made by W. H. Samelius, the director of Elgin Watchmakers Col-

lege, the demand for watchmakers is so great that all students are placed even before graduation, and there is a waiting list for entrance. Mr. Samelius expects the demand for watchmakers to far exceed the supply for at least 2 to 5 years.

Now, these facts speak for themselves. If other plants are working at capacity, selling more watches, making as much or more money as before, is it reasonable to believe that the one plant that has failed was the victim of foreign competition? It would not be reasonable to say that even if Waltham had fallen behind the others in the market. But the simple truth is that Waltham made sales in 1947 that were almost double any pre-war year, and the second highest in the company's history. Yet, Waltham managed to turn in a deficit of nearly \$400,000 that year. And, if further proof were needed that Swiss imports are not destroying the American industry it is to be found in the expansion program presently going on at some of the American plants. The president of Elgin stated before our committee that about 20 to 25 percent increase is contemplated. The Gruen Watch Co. is erecting in New York a domestic manufacturing plant to supplement its import activities at a cost of about \$5,000,000. The Bulova Watch Co. now manufactures in this country about one-half of the watches it sells here. Would these companies be using their reserves to go into or increase their participation in the domestic market if they felt they would be put out of business by foreign competition under our reciprocal trade program?

No, it was not foreign imports that brought about Waltham's difficulties. The evidence is overwhelming that it was mismanagement of the plant and its facilities. The company itself in its bankruptcy petition, recently filed, stated:

The debtor is an old and established manufacturer of watches, whose name has for many years been associated in the retail market throughout the United States with quality watches; the debtor's present financial condition is due primarily to lack of working capital. The debtor believes that the enterprise is fundamentally sound and that its stability will be restored as a result of reorganization.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I wonder whether the gentleman remembers the statement made in the hearings that the annual consumption or sale of watches is approximately 9,000,000, whereas the entire American watch industry can produce only 3,000,000, so that we need the importation of about 6,000,000 works in order to supply the American market.

Mr. COMBS. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOPER. Mr. Chairman, I yield five additional minutes to the gentleman from Texas.

Mr. COMBS. Let us take a moment out to consider this. The demand for watches in America has increased by leaps and bounds. The present Amer-

ican companies could not supply one-half the demand. Suppose we shut off these Swiss importations and create a monopoly in four manufacturing companies in the United States, with the present demand, where would watch prices go? I have here a Hamilton watch which was presented to me in December in my home town. The jeweler told the purchaser that it was the last one he had in stock and was complaining that his consignor had not been able to get a sufficient supply of high-grade American jeweled watches to supply his customers. There is no evidence at all of any shortage of markets for the products of this country in the watch business.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. EBERHARTER. It was testified in the hearings that if there were no importations of works, that the prices of watches and wrist watches to the American public would be two or three times as much as they are today.

Mr. COMBS. That is correct.

Mr. EBERHARTER. It is practically impossible for a man to buy a good watch today. It is impossible for an ordinary workingman to buy a good watch today unless he saves for a considerable number of weeks so as to get enough money to buy one.

Mr. COMBS. That is correct. I want to point out another thing. Even the American watch manufacturers have come to value competition. Under the spur of competition the Elgin Watch Co. 2 years ago invented a watch spring, revolutionizing the business. Another concern invented an electronic machine for testing watches. Theretofore it took 4 to 6 months to test and regulate a watch after it was made. Now they have electronic machines which will do it in 2 minutes. That is by the application of the American know-how. In that fashion we will get more watches and better watches for the American people, and at the same time pay higher wages to the people making them. One other thing: these watch-importing companies that import the works into this country have to have cases, straps, boxes, and many other things. These are all made in this country. And the men and women who work in these assembly plants are just as skilled and just as highly paid as those who work in the places that manufacture completely their own watch works in the United States.

Mind you, these American companies that make their own watches import certain parts from Switzerland. If you were to shut out Swiss imports today, you would wreck every American watch company in the country. That reminds me of one other thing. These imports from Switzerland thus far have been reasonable. They can be handled under this adjustable plan of reciprocal trade. I would remind you that the Swiss people are a free people who maintain a high standard of living. The testimony before us was that there is very little difference in the cost of a Swiss movement and a comparable movement made in this country after the payment of the present tariff.

Otherwise, these companies having factories in both places would not have an American factory in this country. Our great watch business is developing because first we went to Switzerland and established factories there and then took the skills that we learned there and transferred them to this country, thus building up one of the great industries of the world, the watch industry of America.

Now, these Swiss people are free people. Switzerland is the oldest Republic in the world. Should we fail and refuse to exchange our goods for theirs and shut the doors of import in their faces, what would we be saying to the rest of the world that we are encouraging to adopt our kind of free life? Why, it is ridiculous.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. PATTERSON. I happen to represent one of the largest watch industries. I know that right now in Waterbury, Conn., the United States Time Corp. is closing. Why? Because we are importing from Switzerland. Are we going to take the welfare of other countries and the welfare of their people ahead of the welfare of our own country and of our working people? I think our people should be No. 1 on the list.

Mr. COMBS. I do, too, sir. I think that they are No. 1 on the list. Permit me to make this observation.

I have not studied the Waterbury situation. But they make clocks, and clock-type watch movements as I understand it.

Mr. PATTERSON. They make clocks and watches.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. MILLS. The gentleman from Connecticut refers to a company that makes the pin-lever or clock watch. The importations from Switzerland are of jewel-lever watches only.

Mr. COMBS. That is right.

Mr. MILLS. We do not import the watches that the gentleman refers to, thus I cannot see how he can associate imports into the United States, imports which do not exist, with the laying off of men in the plant to which he refers.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOPER. Mr. Chairman, I yield five additional minutes to the gentleman from Texas [Mr. Combs].

Mr. COMBS. Now I will be as brief as I can.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I am sorry. I cannot yield now. I must finish.

RFC has agreed to furnish \$6,000,000 if the trustees can raise another \$5,000,000 from private sources to put the Waltham Co. back on its feet as a going concern. The workers in the plant have agreed to raise \$1,000,000 themselves. I understand they have already pledged more than \$400,000 of that amount. The businessmen and citizens of Waltham feel certain they can get the remaining \$4,000,000 from other sources. So, it would seem that the problem of

Waltham will be solved within the near future. I trust that the efforts of the workers and other citizens of the city of Waltham will be rewarded with the establishment of a fine, going concern. As the first, and in many respects the most highly respected manufacturer of fine American jeweled watches, the Waltham Co. is a great representative of the American watch industry. Its rehabilitation and successful operation will be a real American achievement by the people of Waltham. They will share the general prosperity that has come to this country as a result of our reciprocal trade agreements.

We have to look at this question of reciprocal trade agreements with the understanding that by it we are able to sell our surplus products to other countries and they can sell their products to us. The Swiss purchase many kinds of our products, such as machine tools, heavy industrial machinery, textiles, and many others. These goods bought from our country are made by our own workmen. It is in the sale of our manufactured products of that nature that we are able to sell the labor of our own people and to maintain our high standards of American living. So let us not sabotage this act that has worked so successfully for 14 years by hamstringing it with crippling amendments.

I have been surprised to see, with 2 weeks of hearings, that so few complaints have been made against the operation of this law and that no one came before the committee in those 2 weeks and expressed the idea that it should be abandoned. It has been endorsed by one Congress after another, and has demonstrated its great value.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBS] has again expired.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, just in order to get the record straight on these watches, I realize that the United States Time Corp. does not make a jeweled watch, but it does make a wrist watch. It makes the Mickey Mouse watch, for one thing, and it makes a regular wrist watch which we use every day and which is not jeweled. But the imports from Switzerland in the lower bracket of watch movements have caused a great deal of trouble in our own domestic market. People will go into a store, for instance, and there is an American-made watch, which is not jeweled, on the counter, and there is one from Switzerland which is a jeweled watch. It is easier for the salesman to sell the one from Switzerland. It is in a low bracket. It sells for about \$16.95 or \$19. That brings up the case of great unemployment in my district, not only in the watch industry, but in others as well. That brings up a situation that I am confronted with right now, and I know a majority of the Members from New England are faced with the same situation in connection with shoes, textiles, and our clock industry, the Waltham clock industry, for example.

What will it be next? It will be the rubber industry; and, again, I represent

United States Rubber and employees in Naugatuck, Conn. How can we here in America compete with countries like Czechoslovakia, which today is dominated by the Russian Government as its satellite and where there is slave labor? Shall we let the product of that labor come in to compete with the free labor of our country? Again, there is Switzerland, a country where labor costs are low. The Swiss have a system of home industries whereby different parts of a watch are made in individual homes. They are not set up on a scale like we are; it is peacetime work within the home. How can we expect our manufacturers and working people to stay in the watch industry when they have to compete with situations like that?

Mr. Chairman, I think this House should certainly take under consideration every protection we can possibly give to our own domestic industry. Let us take the brewers of our country today. I am just taking a circle of industries that are being affected by imports. The breweries are working 4 days a week. Or take the clothing industry—and the gentleman from New York may be interested in this. What is their workweek? They are working 3 days, sometimes 3½ days a week. And I can go right on down the list of our industries that are affected by imports.

I personally believe—I am qualifying my statements, I am not trying to sum up to a jury, believe me; I am clarifying my position. I believe in reciprocal trade but not beyond the point where it is going to be injurious to my own industry here at home; because, No. 1: Charity starts at home. I believe no one on the floor of this House will disagree with that statement.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Connecticut yields back 10 minutes.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Chairman, the tendency seems to have developed in this country within the past several years immediately to label as Communist anything with which you are in disagreement, to label it Communist or Communist-inspired. The charge has been hurled in this debate this afternoon, and I consider it not only a completely illogical argument but a thoroughly ridiculous one, that this program of promoting free trade rather than high protectionism is one that is either Communist-inspired or that it is aided and abetted by the Communists. No more ridiculous or illogical argument could possibly be advanced, because in promoting free trade, which we are attempting to do through this legislation, we are promoting something which is the antithesis of communism and planned economy. I cite the testimony before the committee of Mr. Charles P. Taft, the able brother of the senior Senator from the State of Ohio. He testified before the committee representing the Federal Council of Churches. He made this significant statement:

The other group of opponents of the reciprocal-trade-agreements policy are those

of the left, who advocate a planned economy at home. They must oppose the broadening of the base of multilateral trade because that kind of freedom is not compatible with domestic controls. In both instances, therefore, the reciprocal-trade-agreements stand for the free enterprise system, however inconsistent with that system other policies during recent years have been.

Some of the opponents of the policy have taken the position that multilateral trade is no longer possible in the world of today, and that we should therefore adopt a pattern of bilateral closed agreements, Yankee barter deals.

This was the program of the Nazis, and they certainly demonstrated what it could do to world trade. It is not a policy for which the American people will stand when they understand its character and effects.

In other words, here is a great American who made, in my humble opinion, the most forceful statement before the committee, asserting that this program is not only opposed by the Communists but that it is completely incompatible with their philosophy of a planned economy.

The Communists oppose this program for other reasons and other equally commanding reasons. We have adopted the European recovery program which has for its cornerstone the unification and the cooperation of the divided nations of Europe and has for its ultimate goal the rehabilitation of Europe so that the free nations of Europe working together cooperatively can stand on their own feet and again unifiedly oppose the encroachment of communism.

The cornerstone of the Marshall plan is economic cooperation, and that economic cooperation, it is our hope and belief, will ultimately lead to political cooperation; therefore, the Communists who have always attempted to dominate Europe by picking off the nations one by one, piecemeal, if you will, can see the danger to their program by continuation of the reciprocal-trade-treaty program. As a matter of fact, in my humble judgment, the Marshall plan was adopted as a direct answer to the Communist threat of picking one nation off at a time. You will recall that in March 1947, I believe it was, the President came here and delivered his message on the Greek and Turkish situation. We supported that program because it was a necessary program; it was something that had to be done; but the point was made, and I think with justification, that we had to adopt an over-all foreign policy, a policy for all of the free nations of Europe. Out of that thinking and out of that great debate developed the Marshall plan, which has created tremendous ire and apprehension on the part of those in the Kremlin.

As a direct result of the Marshall plan we are seeing in Europe today something about which statesmen have dreamed for many centuries. We are seeing a peaceful unification of that great continent. One week or so ago there was announced in London the formation of the Council of Europe, which is a direct outgrowth, in my opinion, of the adoption of the Marshall plan. The reciprocal-trade-treaty program in the mind of any fair-minded economist must be considered as an economic cornerstone of the Marshall plan in the European recovery program.

How any man who is a Member of this House can consistently support the Marshall plan and then turn around and vote against this program is beyond my comprehension, because he is denying with his right hand what his left hand is doing, and without the trade program, without the incentive to destroy barriers to trade and to commerce and to the movement of goods and materials, the Marshall plan cannot possibly succeed.

All of the arguments which have been advanced here today—and I have listened to most of them, and I do not pretend to be an authority on the history of this great debate which has been before this body for many, many years—all of the arguments advanced against this bill have been the old high-protectionist arguments. There has not been a new argument advanced here, and the only other idea pulled across the trail has been the completely illogical, ridiculous red herring that this is a program advocated and sponsored and fostered by the Communists.

Let us examine the high protectionist argument for a moment. For how many years has the argument been made in this historic body that if we fail to protect American enterprise and American goods by a high tariff we would wreck our economy? How many times have Members stood in this well, as the gentleman from Connecticut did here a moment ago, and said, "I favor the reciprocal-trade-treaty program, but I am first for my own district and for my own enterprise"? I venture to say that is the oldest, the most discredited argument which has ever been made in the House of Representatives.

What are the facts? Let us examine our economy as it stands today, the overall picture of our economy. Let us not pick out one industry here and another industry here and another one here, all of which are subject to special treatment for many and various reasons, as the gentleman from Texas has so ably stated in the case of the Waltham Watch Co., and as someone might equally ably state in the case of certain other luxury items in which production is now catching up with demand. But let us examine our entire economy, because that is what this program is.

In 1929, the Congress of the United States adopted the highest tariff in the history of our Nation, the Smoot-Hawley tariff. There followed after the adoption of that tariff the greatest tariff war in the history of modern civilization, and in place of our business increasing, in place of these great enterprises growing and increasing their domestic markets and increasing their domestic pay rolls, what happened? We had the most devastating depression that this Nation has ever known, and after the enactment of that tariff there were more people out of employment, there were more bankruptcies, there were more hardships in America, there was more social unrest in America than at any time in the history of our great Republic. That followed the enactment of the highest tariff in the history of our Nation, and the same arguments which have been advanced here today in opposition to this program were advanced in favor of the

Smoot-Hawley tariff in 1929. In 1934 a great Secretary of State appeared on the scene; a man revered not only in this country but throughout the free world today. He proposed that men and nations sit down and negotiate, that we import what was good for us to import and that we export what was good for us to export, judging the entire economy.

Through his great leadership and the leadership of the Democratic Party, and the leadership of President Roosevelt, we adopted the reciprocal-trade program.

Today, after that program has been in effect for 14 years or thereabouts, American production is at the highest level in all of our history. As a matter of fact, our production has exceeded the fondest wishes of even our greatest economists. I do not recall the exact figures of the Federal Reserve Board, but I remember seeing last year, while serving on the Committee on Banking and Currency, that our production in many industries was three times, four times, five times, what it was in 1929 and 1930.

If all of these dire predictions had any merit, then would our production be at the level at which it now stands in our country? I say to you that the proof of the reciprocal-trade-treaty program is self-evident, and stands as a great symbol of the economic advancement and prosperity of this country. Anyone who doubts it has only to compare what happened after 1929, when we listened to the high protectionists and when we enacted the highest tariffs in the history of the United States, and we had a depression, with the situation today, after 14 or 15 years of the operation of this program, and look at the vast producing enterprise of the United States of America. When you add to that the further important, commanding, paramount consideration that this program is intimately connected with the entire foreign policy of the United States, that this program is fought and feared by the Communists in the Kremlin, that this program has within it the seeds for the reestablishment of free trade and free enterprise all over Europe, it seems to me the height of inconsistency on the part of those who oppose communism to oppose this program.

Mr. REED of New York. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I have just heard the very forceful remarks of the gentleman from Louisiana, who has made a very fine presentation of the old free-trade, destructive arguments. I have heard them many times and they are published in many books. Still, we are here as the United States of America. Washington was interested in the first protective-tariff bill, and the tariff policy has underwritten free enterprise of the United States. It was recommended by Hamilton. We built this Nation on that plan of keeping our markets as far as we could here in this country for our people and for the benefit not of few but all of them. Of course, I have heard this old free-trade argument, which is to buy in the cheapest markets in the world. The gentleman stated in his remarks, and very able remarks, that H. R. 1211 is a free-trade proposition. Well, you are down pretty low on the list. The other

nations have all the world for their market, and they have over 60 percent of our market. Well over 60 percent of our imports come in free of duty.

Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, it is not my intention to argue over the question of whether the trade agreements program has accomplished or has not accomplished some of the things that have been said here this afternoon. I often, however, do become somewhat amused when I listen to some of the proponents of free trade condemn those who might desire to give some degree of protection to our domestic economy when they themselves insist, not upon tariff or duty protection, but upon even more severe protection as the interference to the free flow of trade may be concerned. I call attention to the fact that the gentleman from Louisiana has just made a very fine address advocating great freedom of exchange of goods between the various countries of the world. I believe in the freest possible exchange, but I wonder if he would answer this question for me. Will he agree today to the elimination of the quota on sugar imports into this country? No; the gentleman comes from an area which produces sugar. There is an import quota on sugar. That is the maximum restriction that you can possibly have on any commodity. It is not a matter of just making the sugar competitive with American sugar as far as the protection of his industry is concerned—absolutely not. His protection is a quantitative restriction against the importation of sugar. What about our tobacco boys and various other of these people who come here and condemn those of us who want to see our industries have at least a fair degree of protection in the world markets? Let's take tobacco for example.

You cannot export one single seed of tobacco. Why? Because, if you do, it might mean that that tobacco might be produced elsewhere in the world and that that production might compete with our American-produced tobacco.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield. Mr. CRAWFORD. The gentleman from Wisconsin may not want to overlook the Louisiana rice industry, which enjoys a tariff protection of a modified rate of 2 cents per pound or \$2 per 100 pounds. I join with the gentleman in criticizing southern people who ask for tariffs on what they produce and then deny the same protection to northern agriculture and northern industry. You cannot justify it in any way.

Protect all of us, North, South, East, and West. Then I will go along with you, but I will not go along with you on this idea of protecting one little section such as tobacco, rice, sugar, and so forth, and destroying the rest of us.

Mr. BYRNES of Wisconsin. I thank the gentleman from Michigan. But, as I say, it is not my intention to go into the various ramifications of free trade versus protectionism and so forth. I think this afternoon we have gone around

in a pretty big circle and have covered quite a large field and a great deal of territory.

As, if, and when we come down to the basic issue involved in the bill, H. R. 1211, I want to say it is not nearly as complicated as we have tried to make it appear this afternoon. I would like to refer those Members present to the minority report. I would like to read one of the introductory statements in that report, because I believe it gives to us what, basically, is the issue involved in this debate, and which will be involved tomorrow when we consider this matter under the 5-minute rule. I quote:

We favor the extension rather than the repeal of the Trade Agreements Extension Act of 1948. We appreciate, however, that as the result of false political characterizations, the 1948 Act is destined to fail.

That is certainly apparent from the orders that have come down from on high to you gentlemen on the majority side.

In our opinion, however, such action is a manifestation that political emotionalism has triumphed over judgment and reason. Under such conditions, even the preservation of existing constructive legislation is unlikely. In view of this, and without retreating from principle, we urge that, as a bare minimum, H. R. 1211 be amended to provide—

(1) for the continuation of the "peril point" report of the Tariff Commission established by the Trade Agreements Extension Act of 1948; and

(2) for the insertion of an "escape clause" in all trade agreements which do not now contain such a clause.

The fundamental issue before us today and tomorrow is whether or not in the extension of the Trade Agreements Act we have those two provisions which are safeguards to the domestic economy.

I have not heard one single Member, speaking from the majority side, tell us what is wrong with those two protective features proposed by the minority. Not one.

We have been referred to the position of various groups that appeared before our committee in the study of the Trade Agreements Act. I think for the most part most of them believe sincerely, as I do, that we must continue some kind of negotiated agreements with foreign countries, in order to make possible the free flow of trade; but many, many of them say and feel that there should be certain limits, certain safeguards, so that those people who do the negotiating, when we enter into such agreements, do not exceed the bounds of propriety and the bounds that are necessary in order to maintain our domestic economy.

I would like to refresh the memory of those who sit on the committee and to call to the attention of those who do not serve on the committee and who did not have the benefit of the testimony of those who appeared before the committee, to some of the points made by representatives of these organizations.

I take, for instance, the American Federation of Labor. They did say that they believed in the extension of the Trade Agreements Act. I do not question that at all. They are for it and I am for it. But they put in a word of caution, and let

me quote Mr. Mason, the spokesman for the American Federation of Labor. Let me quote also from a resolution which was passed at the American Federation of Labor convention in Cincinnati:

In supporting the trade-agreements program we recognize the need of safeguarding American labor in some industries, especially where the wages are a relatively high factor in the cost of production, against competition that threatens to undermine our labor standards.

Gentlemen, that is just what the minority members of the Ways and Means Committee want to do. That is the identical purpose of these two amendments that will be offered tomorrow.

Let me say further, I asked Mr. Mason during the course of the proceedings, and I am quoting from page 179 of the hearing, this question:

You know under the act passed last year one of the basic requirements, and the thing we hear the most complaint about, is that it is required by law that the Tariff Commission do establish what we call peril points—

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BYRNES of Wisconsin (continuing reading):

do establish what we call peril points; in other words, the point below which the domestic industry might be imperiled and the workingman in this country and his standard of living be imperiled, so you agree with me that is advisable procedure and the advisable thing to do?

Mr. MASON. That is right. We favor that. We favor the continuation of those findings.

That, Mr. Chairman, is all that the amendment pertaining to peril points which will be offered by the minority pretends to do; and that is all it does.

We have the National Farm Bureau Federation, which said it believed in the extension of the Trade Agreements Act. Let me point out their position on this matter. I call attention to page 694 of the hearings. Mr. Kline, representing the American Farm Bureau Federation, said:

We have not taken a specific position in which we took up the matter of peril points and said: "This is our position with regard to the Trade Commission as regards establishing peril points." At the same time, we have taken a position which makes it clear that we would oppose a proposition which made it possible for the Trade Commission to use this point or some other point to delay the development of a reciprocal-trade-agreement program. We certainly want that information available, and we certainly want it taken into consideration as the sort of machinery for the development of the reciprocal trade that we have suggested.

In other words, if the procedure desired does not delay the entering into agreements, Mr. Kline, in so many words, says they want that information and believe that that machinery should remain a part of the act.

We also find, Mr. Chairman, that the National Cooperative Milk Producers' Federation, another large agricultural group, took a stand on this matter at its thirty-second annual convention. Let me read from page 258 of the hearings an

excerpt from a resolution adopted by that organization on November 11, 1948:

We favor a further extension of the Trade Agreements Act, but only on condition that adequate safeguards are written into the law to govern the exercise of the powers therein conferred. Such safeguards should include a procedure before the Tariff Commission similar to that provided in the Trade Agreements Extension Act of 1948 to determine the safe limits within which tariff modifications can be made.

That is a great farm organization speaking and I think, Mr. Chairman, that it states the basic issue involved in the discussion here today.

What is wrong with the two safeguard provisions that the minority asks be put into the extension of the Trade Agreements Act? There is the issue, Mr. Chairman, and I hope sincerely that this problem can be approached with a reasonableness of heart and mind in order that we may arrive at what is right and just for the American people instead of being guided by false propaganda and by political considerations that should have no place in the discussion of a bill of this kind.

The gentleman from Arkansas criticized the peril-point theory when he addressed the Committee this afternoon. He said that the Tariff Commission could not study 400 individual items. Mr. Chairman, if the Tariff Commission cannot do so, how, pray heaven, can the State Department do so? I certainly would rather trust the Tariff Commission with its staff of experts, with its experience in this field over the years to do the job in a limited time, than I would the State Department.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, I trust the gentleman from Wisconsin will listen closely to what I have to say, for I agree with him in part that there has not been much discussion directed toward the issues that the minority has raised; but I should like to suggest to him that the majority of the committee and the majority Members of this House are not opposed to the peril-point system, the majority Members are not opposed to the escape-clause provision. The great difference is one of timing, and if the gentleman will permit me to continue for just a short time I will develop this matter further, then yield to him.

Mr. Chairman, at the outset I ought to clarify the statement that appears in the Record here as to where the American Federation of Labor stands. It is true that some Members of the minority attempted to put words in the mouth of the witness, but when he was questioned again the representative of the American Federation of Labor stated that he was in favor of H. R. 1211, that he was not in favor of the amendments which are here submitted by the minority party.

I want to join with the gentleman from Wisconsin in discussing what I consider to be the real issues in this debate. The minority party says: "We favor the extension rather than repeal of the Trade Agreements Act." So I assume now all of the Republicans have ac-

cepted the principal of the reciprocal-trade-agreements program. However, it is stated in the minority report that, "We desire to modify this in two respects." It is toward that end I desire to direct my remarks.

First of all, may I say the peril-point amendment that will be submitted tomorrow is one involving a difference of opinion. For one, I believe in the peril-point theory, but I do not agree with your timing. You want to put the peril point into operation before we have had the benefit of experience. Insofar as I am concerned, I want the peril-point theory to operate after we have had the benefit of experience, using the escape clause.

To amplify my remarks I want to call the attention of the Members of this Chamber to a letter addressed to the gentleman from North Carolina, the Honorable ROBERT L. DOUGHTON, on May 17, 1948, which I think so clarifies the issue that every argument that has been presented here against it will fall of its own weight. This letter was submitted to the gentleman from North Carolina [Mr. DOUGHTON] at the time the Republicans passed the 1948 bill and was submitted by the Chairman of the Tariff Commission in response to a letter written to him by the gentleman from North Carolina. I shall now read for the RECORD the answer of the Chairman of the Tariff Commission. First of all I will put the question of the gentleman from North Carolina [Mr. DOUGHTON]:

Do you think the procedure established by H. R. 6556 would enable the Commission to render a better public service than it now performs?

H. R. 6556 was the Republican measure of 1948.

Here is the response by a member of the Commission which you gentlemen have been eulogizing all afternoon and all through the hearings before the Ways and Means Committee. The Chairman stated:

The Commission was established in 1916 in order that the Congress and the Executive might have a reliable source of objective information on tariff matters, information which could be accepted as authentic by all sides in any tariff controversy.

Continuing, he says:

Thus, from the very beginning its primary function, has been to find the facts, leaving policy decisions to the Congress and the President. I doubt the advisability of transforming the Commission into a policy-making agency and thus subjecting it, more than in the past, to political vicissitudes.

My fear is that the attempt to determine the degree to which duties may be reduced without injury to domestic producers or impairment of the national defense would require the making of such difficult and fundamental judgments that the Commission would, in effect, be making major policy decisions. The element of judgment, of course, enters into the various phases of the Commission's present work. This is especially true of the duties which have been assigned to it under the escape clause in trade agreements. In cases under that clause, however, its findings as to whether serious injury to domestic producers has occurred or is threatened will be based upon actual observation of imports and domestic production after the trade-agreement concession in question has come into force. In contrast, the findings required under H. R. 6556

would have to be based to a large extent, especially under present abnormal conditions, on assumptions and estimates as to future probabilities.

I say that the answer of the Chairman of the Tariff Commission is the real difference, and I want the record to show the real difference in the thinking between the majority of the committee and the minority.

The majority viewpoint is that the Tariff Commission, or its representative, should participate, along with other agencies of the executive department, giving facts, advice, and the benefit of its judgment in the negotiation of trade agreements. This has been the policy since the law was first enacted in 1934. The Republicans in 1948 changed that policy by specifically prohibiting this important Commission from giving the benefit of its experience, advice, and judgment to the interdepartmental agencies charged with the formation and negotiation of the reciprocal-trade-agreements program.

The Republicans in 1948 set that important Commission aside in an effort to use it as a political and policy-making instrument for the possible purpose of embarrassing and acting as a block upon the President of the United States. Moreover, under the 1948 act, the Commission was required to give its judgment based not upon actual fact nor upon actual experience, but required as a bipartisan Commission to enter into the field of conjecture, to speculate, if you please, upon what might happen to some industry under certain conditions which might not ever arise. You said, "Give us your idea of what the peril point will be." Now I submit that in any endeavor of life, experience is the best teacher and, in the bill which you have before you today for consideration, requires the Tariff Commission to function as it has for many years past. We want it to return to its former position as a fact-finding body and not a policy-making body. We want to take it away from the political vicissitudes which the Chairman mentioned in his letter to Chairman DOUGHTON. At the same time it ought to be clearly understood, and I believe I am correctly stating the viewpoint of a majority of the committee, we are in favor of the inclusion of an escape clause to be included in every trade agreement hereafter negotiated. There is nothing new in this, for the history of trade agreements since 1942 indicates that has been the policy of the State Department.

Further than that, the policy of the State Department has been ratified and confirmed by the President of the United States in his Executive order issued in the early part of 1948, and which is in effect at the present time. This is the policy that is followed in all trade agreements now. But does this satisfy my Republican friends. Most certainly not, for tomorrow they will advocate an amendment to the present bill making it mandatory upon those charged with the negotiation of trade agreements, the people to whom we have delegated our authority, making it mandatory upon them to negotiate and renegotiate agree-

ments which have heretofore been agreed upon but do not include the escape clause. I submit to you that such an amendment is not timely nor wise and it is not good business judgment to compel those who are negotiating trade agreements to be handcuffed by such an inflexible policy.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CARROLL. I am indebted to the gentleman from Wisconsin for raising the fundamental issues which will be made tomorrow as the bill is read. As a matter of fact, only this afternoon I discussed this matter with a gentleman in the State Department. That is one of the reasons I take your time this evening to put this in the RECORD, so perhaps the Swiss themselves will read the RECORD. I am one of those who believe that the Swiss ought to, out of good faith, agree to immediate negotiation of an escape clause in the Swiss agreement.

It is my understanding that all efforts will be directed by the State Department toward that end. But I am not going to vote to put into legislation a mandatory provision which will handcuff our bargainers.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. BYRNES of Wisconsin. Let us start working backwards. There are a number of things the gentleman has covered about which I want to inquire.

Mr. CARROLL. I cannot yield too much of my time. I am limited.

Mr. BYRNES of Wisconsin. I should like to inquire about the escape clause provision. If the gentleman believes the escape clause provision is sound, why does he have objection to inserting it in all trade agreements?

Mr. CARROLL. I think the gentleman misconstrues my position. While I speak only for myself, I think it is the viewpoint of the majority members of the committee. Every person now, in the light of experience, is in favor of an escape clause in all trade agreements, and that has been the policy of the State Department; it is now the policy of the President of the United States, by Executive order, so it is now the policy of this Government, and such a clause will be in all future trade agreements. The gentleman knows that in all the agreements negotiated at Geneva, in every single one of those multilateral agreements, was included the escape clause.

The gentleman asks, why do I object? I thought I stated it very simply. I say it is not good for the Congress to amend this bill to handcuff your negotiators, because you put them in a position that is not flexible enough.

Let me give you one illustration. As a new member of this committee I have been trying to follow through with some consistency, with some desire for understanding, the problems which affect the American watch industry. I was very much impressed by the gentleman from Massachusetts [Mr. DONOHUE] who made such a brilliant presentation in behalf of the people of his district. I have been trying to find out if there is not

some way to help the people of Waltham. I find that if you amend this bill and create a mandatory situation there is a possibility—and I did not learn that until this afternoon—that the Swiss might come in, if we renegotiate under a mandatory provision of this law—I did not learn until this afternoon that on the 21-jewel watch movements, actually the present tariff operates as an embargo. There are many factors that the Members of this Congress cannot know, and, therefore, by general legislative mandatory action it is not good to freeze a situation which ought to remain fluid in the interest of good bargaining.

Mr. BYRNES of Wisconsin. What the gentleman is really trying to say is that in view of the fact that the proposal to incorporate escape clauses in all agreements is a Republican motion to amend a Democratic bill, therefore, it is bad.

Mr. CARROLL. No. I have tried to make my position very clear. I am trying to make a fair presentation. If you want to make this a partisan discussion, I say to you, based upon my experience in the last session, and based upon the experience I have had now, I believe the arguments presented by the minority here are specious. I believe the great majority of your group are not in favor of the reciprocal-trade program. I think you are using this as a device to emasculate it. That is what I really believe. You asked me my opinion, and I give it to you for what it is worth.

I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Certainly the escape clause provision is not any product of the Republicans. It was voluntarily established by the administration administering the program.

Mr. CARROLL. May I say to the gentleman from Tennessee, when I heard of this discussion about Communists and Communist writings in these trade agreements, I found that the State Department, itself, was the one that instituted the escape clause provision for the protection of American industry and it was the President of the United States who later carried it into effect by Executive order. I think then the issue is pretty clear on the question of the peril point. We on the Democratic side are anxious to protect American industry. Let us take a look at the logic of our position. If the Tariff Commission is to function, it will function best under the escape clause theory. It will function best when it has the evidence upon which to act, the facts and experience upon which to render judgment. In the event of damage or injury to American industry we may use the Tariff Commission through the escape-clause provision in three ways. First, a complaint from an industry; second, an investigation initiated by the Tariff Commission itself; and, third, the President of the United States may call upon the Commission for guidance.

Labor, the A. F. of L. and CIO, the workmen, and the farmers of the Nation want this program. Why? Because labor knows that if they are going to have high living standards, they must have full employment. We on the

Committee on Ways and Means know that if we are going to get revenue to have a foreign-policy program, the Nation must have full employment. We have to have people making money so that we can get revenue to carry on the foreign program in the interest of peace. We cannot be appropriating five and six billion dollars in support of our foreign policy unless we have full employment. Labor knows that this sort of program will stimulate the flow of goods in international trade. It is my hope that the majority party members will reject over, whelmingly the two amendments which will be offered on the floor tomorrow as indicated by the minority report.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, the discussion of the Reciprocal Trade Treaties has always been intriguing to me. I have always hoped that I would live long enough to see it operate south of the Mason and Dixon's line as well as north of it. The Smoot-Hawley Tariff Act is a fine instrument for the peanut-growers of the South. Oh, they love it. Yes, because they have a 7-cent duty on peanuts, which, incidentally, is more than 100 percent ad valorem and more than the product ever brought for 25 years in any year before the war. They also like it as was brought out here with reference to sugar. They have not changed the Smoot-Hawley tax on sugar. They like that down in Louisiana. They also like it on the rice.

Then we get into the cotton business. Oh, that is a real one. Oh, surely. Oh, we just believe in reciprocity and the good neighbor policy, and now the distinguished chairman of the committee is getting the Golden Rule in on it. We will not have any of these bad tariffs. What we will do, we will just put an embargo on it and say you cannot import cotton. You tell me any commodity that the Republican Party ever put an embargo on in the United States. I know you can't do it. An embargo was put on so that one could bring in only 135,000 bales of cotton while we produce 10 or 12 million bales a year.

They were not satisfied with that. The long-staple cotton fellows wanted to get in it. So they got Mr. Truman to put a quota on that too. This one is not quite so much of an embargo.

Then we will take wheat out in Colorado and down in Texas. Oh, sure. We are for reciprocal-trade agreements. We must have this good neighbor policy. We must have this Golden Rule, but we will put an embargo on wheat. Only 800,000 bushels of wheat can come into the United States out of over a billion bushels produced here. Such hypocrisy. When it comes to talking about looking after the people in your own district, I do not make any excuses for saying that in the short time I have been here I have figured out that I had better be looking after them, because I do not see anybody in the New Deal who would look after them and I have not seen anybody in the Fair Deal who is going to look after them.

But going back to this tobacco seed proposition. That is a honey. Oh, we

believe in reciprocity. Oh, we believe in the good-neighbor policy. Oh, we believe in the Golden Rule. Under this set-up, I guess the Golden Rule means, "Do all you can for the big fellows and let the little fellows take care of themselves."

We passed the most vicious, the most serious trade barrier ever erected in the history of this country. I will yield at this time to anybody who will tell me when the Republicans ever put a trade barrier compared to the act to prohibit the exportation of tobacco seed from this country. I know you cannot show one such thing.

And to think you would have the effrontery to get up here and say the things you are saying today, with the history you have of erecting the worst trade barriers ever erected in the history of the country.

Today I wanted to confine my remarks to just trying to bust a few bubbles floating around here. I have a chart here that shows many things, among which was that when we had these reciprocal-trade treaties during these years we had the biggest agricultural imports we ever had in the history of this country. It shows another thing. It shows that today, with all the talk about what we are doing to the world, we are still importing more agricultural products than we are shipping out of the United States. To put it in less elegant language, we cannot give it away as fast as they are dumping it on to us. Does that mean anything? Are we going to sell out American agriculture so that somebody in Detroit can sell automobiles to somebody down in Timbuktu? That is the way it has worked out. If you like this program, I would like to see you try it south of the Mason and Dixon's line just once. Put it in operation down there. We do not like it. We do not want any more of it. So you help yourselves to it. When you do that, then I will believe that you mean what you say.

This chart shows that this last year we are importing more agricultural products than we are exporting. So you know and I know that what we are trying to do is give away the earnings of the American farmers so that you can sell a few industrial goods.

I really wished to talk to you today about five things that have happened. I do not want to get into a discussion about the wonders or lack of wonders of the reciprocal-trade program. I appeared before your committee and asked you to take the duty off altogether on feed grains in 1943 or 1944. You remember that winter of '43 and '44.

The duty was removed. I am not embarrassed, never having voted for the Smoot-Hawley tariff or against it, and I do not think the Smoot-Hawley tariff has much to do with anything we are discussing here today; nor do I really believe that the reciprocal treaty program does. The reason I say that is that many things have happened in the last 15 years. Let us stop and consider one, that is, state trading. What effect has state trading had on the economy of the United States? Two or three years ago what happened? The Secretary of Commerce, Mr. Wallace, sent a delegation

over to Russia. I am not just saying this here to you today, this is in a printed report before the Committee on Agriculture. In this report a man from the Department of Commerce made the statement the United States asked Russia to dump millions of dollars' worth of furs into this country; and today we have the fur farmers of America hanging on the economic ropes. If that is a part of the foreign policy of this administration, then I surely do not subscribe to it. That is point No. 1.

No. 2: The individual producer—I do not care whether he be a farmer or a worker in a factory—when he goes to bed tonight is in danger of having his business ruined by state trading. As good an example of that as I can give you is Mr. Perón. Mr. Perón has the opposite program in connection with his farmers; he buys the products as cheaply as he can and he sells them for whatever he wants to. Mr. Perón can ruin any farm producer in the United States any day he wishes to do so. Although our distinguished chairman does not want me to talk about the cheese business, I advise you that cheese is produced in my district. They are going to lower the duty again on Italian cheese. I do not know what they will pay for Italian cheese, but when Mr. Perón gets done with it he can put all these Italian cheese makers in the United States out of business whenever he wants to. We are talking of state trading. That is No. 1.

Then, to come back to No. 2, we have the United Nations and we have the FAO. I voted for the FAO; as a matter of fact, I voted for the United Nations. The reason I voted for the FAO was because to me the FAO was the instrument whereby we could funnel the surplus agricultural products of this world to the places of the world that need them and we would benefit out of this trading in the long run. I am not talking about the Tariff Commission in connection with this, but I am speaking of agriculture. That is an objective of the FAO. We must safeguard the United Nations and the work which they have done. But how many of you have been down before the Committee on Reciprocity as I have, time after time after time, a hopeless and futile thing? I like to feel when I go before a commission that there is somebody on the commission that has had experience in the field the commission is working in.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield for a question?

Mr. MURRAY of Wisconsin. I yield for a question.

Mr. EBERHARTER. Does not the gentleman believe that the welfare of the farmer and the prosperity of the farmer depends upon the welfare of the workingman and the producers in the factories and the mills of the country? In other words, if there is unemployment in this country the farmer suffers more than the industrial worker. If we do not have a large export market then we will have in the industrial areas unemployment, and the farmer himself will be the worst sufferer. That is the way I look at the program anyhow.

Mr. MURRAY of Wisconsin. The answer to that is that the gentleman may not live long enough to see agricultural exports equal to imports because ever since the twenties we have been on an importing basis. Way back in the twenties, before we ever had the Smoot-Hawley tariff, we were on an importing basis. Look here at the curves on this graph and see where it begins.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED of New York. Mr. Chairman, I yield five additional minutes to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Anyone realizes, and I think the gentleman himself does, that the welfare of the people depends on a high level of employment, and without markets you are not going to get a high level of employment. That leads me right to the third point, that is the minimum wage. If we raise the minimum wage, I do not care whether it is to 75 cents or a dollar, or what figure we put it at, has anyone figured out what it will do to our employment; because if we are going to accept goods from the rest of the world that is not bound by any minimum wage, but goods which are made at as low a wage as the manufacturers can force the laborers to accept, how are we going to protect the American worker against that kind of product? How are we to protect American jobs?

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. EBERHARTER. I think one of the main factors of keeping the American workman employed, that is the industrial worker, is the fact that we will have plenty of manufactured goods to export. If we do not have an export market as an outlet for this surplus of goods that we produce, it will entail more unemployment than the fact of a little bit of imports coming in here. That is the theory.

Mr. MURRAY of Wisconsin. The gentleman says a little bit of manufactured goods being imported. I go back to the old story, "Sell out the American farmer so somebody up in Detroit can sell a car to somebody in Timbuku." That is the circle we are in.

Mr. EBERHARTER. I think the economic history in the last 15 years will show that the farmer has suffered the most whenever our exports were small. When our exports were large and in great amounts the farmer was better off because the worker in the mine, the mill, and the factory, in the cities and in the industrial plants, was employed and therefore able to pay for the farm products a good price. The farmer was more prosperous at that time because of the export business that American industry engaged in.

Mr. MURRAY of Wisconsin. Of course, the answer to that one is we had 10,000,000 unemployed in 1940 and by 1940 our exports on agricultural products had dropped down to practically nothing, whereas our imports rose and at the time Henry was shooting the little pigs was the time we were bringing in the highest amount in quantity of agricultural products we ever did in the history of our country.

I wish I could spend a longer time on each one of these issues, because to me it is a serious matter. It is something which has to do with the lives of the great bulk of the average people in this country. I do not worry about these Golden Rule fellows, or that chap down in the State Department. I am not worrying about him. You know who I mean. He went over to Geneva last year and fixed up this deal.

Mr. EBERHARTER. Does the gentleman mean Mr. Clayton?

Mr. MURRAY of Wisconsin. I think he will get along all right. I do not know what is going to happen to the cotton farmers in Georgia, Alabama, and Mississippi when Mr. Clayton gets that \$7,000,000 farm going out there in California because he can raise many bales of cotton on it.

Mr. REED of New York. He has been doing the same thing down in Mexico. He went down there to teach them how to raise cotton.

Mr. MURRAY of Wisconsin. He went down to Mexico, too, but I do not like to bring in personalities.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield? Did I hear the name of Will Clayton mentioned in the colloquy?

Mr. MURRAY of Wisconsin. Yes, sir.

Mr. McCORMACK. Of course, the gentleman knows he is a great American, he is a sound businessman.

Mr. MURRAY of Wisconsin. He must be.

Mr. McCORMACK. He is a very good American.

Mr. MURRAY of Wisconsin. He can keep the embargo on so far as cotton coming into the United States is concerned and can keep the American market for his own cotton. Yes, he must be quite a fellow. He seems to do pretty well for Mr. William Clayton. Then we have the price-support program.

We are in difficulty on this support program. In that connection I would like to correct the majority leader, too, if I had the time.

Mr. McCORMACK. Is the gentleman opposed to the support program?

Mr. MURRAY of Wisconsin. I am sorry the gentleman asked such a question. I regretted when President Truman killed it. I did not want him to kill that program.

Mr. McCORMACK. That is a Democratic measure.

Mr. MURRAY of Wisconsin. Oh, no.

Mr. McCORMACK. The gentleman says it is somebody else's measure?

Mr. MURRAY of Wisconsin. Now, be careful.

Mr. McCORMACK. It is not the gentleman's measure, is it?

Mr. MURRAY of Wisconsin. Oh, no; I would have had a better one and I would not have had it killed like President Truman did.

Mr. McCORMACK. I am sure the gentleman's measures are always better than anyone else's, but let me ask again, he is not opposed to a support program for agriculture?

Mr. MURRAY of Wisconsin. How can the gentleman ask such a question?

Mr. McCORMACK. I am sure the gentleman is not.

Mr. MURRAY of Wisconsin. I was not for the kind of deal that the Fair Deal administration tried to put over in the name of the Aiken bill either.

Mr. McCORMACK. The gentleman is now drawing a line of distinction. He is putting himself in the position where his farmers may think he is opposed to it and I do not want the gentleman to get into that position. I want to save my friend from himself. I have a very friendly feeling for the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MURRAY of Wisconsin. I will try to save myself.

Now stop and analyze this support program. All major agricultural products that do not have an import embargo on them, like these southern products, or that do not have the protection of the Smoot-Hawley tariff have a world price and a duty that is less than our domestic support price. What are you going to do? Are we going to have an abnormal granary or a normal one? You better start telling the people right now if you think we are going to support prices all over the world. For example, I will show you this chart, as an example of what is happening to our wool. We are supporting the price of wool. Our good friend from Colorado did not say anything against that awhile ago. He kind of likes that protection that his farmers get, because it is in the Aiken bill. They get 42 cents. But we in the Midwest are not sitting so good at the present time. We are trying to iron it out. But, the gentleman has 42 cents on his wool.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Colorado.

Mr. CARROLL. I am sure the gentleman is aware that the wool growers of America can only produce 50 percent, or thereabouts, of the consumption of this Nation.

Mr. MURRAY of Wisconsin. Can or do.

Mr. CARROLL. We do.

Mr. MURRAY of Wisconsin. Yes, but we could if the New Deal had not run around and knocked all these sheep in the head. They killed the sheep off, because they were afraid of what you were going to do with them, and consequently you have not got as many sheep today as we had 50 years ago.

Mr. CARROLL. The gentleman's argument is that the Government destroyed the sheep and that is why we have not more wool.

Mr. MURRAY of Wisconsin. Mordecai Ezekiel went all over the country and said we should not raise sheep.

Mr. CARROLL. There was some testimony which came before the committee, some gentleman from Massachusetts, who was objecting to woollens coming into the country; that the tariff on them was too low.

Mr. MURRAY of Wisconsin. That is right.

Mr. CARROLL. But, they said they were imposing a double penalty because the tariff on wool was too high. The

gentleman knows that Australian wool comes in here in great amounts.

Mr. MURRAY of Wisconsin. A friend from Boston came down here, and he did not like the 42 cents that the Aiken bill gave the wool grower.

Mr. CARROLL. But the gentleman knows that the production of wool in this country is not sufficient to meet the demands of the consumers.

Mr. MURRAY of Wisconsin. It is not, but I say it could be.

Mr. CARROLL. At the present time it is not sufficient.

Mr. MURRAY of Wisconsin. No; because we import twice as much as we produce.

Mr. CARROLL. Therefore it is necessary to bring in other wool to keep pace with the demand.

Mr. MURRAY of Wisconsin. We will not have anything produced in this country pretty soon if you fellows stay in power.

Mr. CARROLL. Oh, the gentleman made that argument in November.

Mr. MURRAY of Wisconsin. But I did not do so badly. The people were pretty good to me. I told them the truth. I did not tell them falsehoods and bedtime stories. There are 600,000,000 pounds of wool imported and only 300,000,000 pounds produced in the United States and we have to support 900,000,000 pounds in this program from here on in.

We are going to be in one awful mess if we are going to support all the agricultural products in the world, because as I showed you on this chart, even at this hour we cannot give it away as fast as they are bringing it in here. For the fellow that has any respect for the United States Treasury, if we are going to keep the country anywhere near solvent, my position is that somebody has got to do something about those imports. Then we have the Marshall plan that I also voted for so I cannot blame anybody else that did, but we have to watch out in the Marshall plan that we do not subsidize the people, the farmers, the men in the factory, and subsidize their production, and then lower the duties here and bring other products into the United States. If I had the time, I could give you a very good example of just exactly that, where we have sent millions and millions of pounds and bushels of feed to a certain country, and they are sending their products into the United States and asking for a lower duty so that they can get more and more into the United States. When you take into consideration all those factors, I say first that those European countries should lower their own trade barriers between themselves, and then let us start, because you know how that is, if a chicken flies across the line over there and they want to shoot somebody about it, let them get their own house in order first; let them remove their own trade barriers, and my hope is that they are attempting to do it. Bene-lux, as I say, is an example, but before they ask us to give our markets to them, they have to first of all feel that their obligation is to get their own house in order.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. Hays].

Mr. HAYS of Ohio. Mr. Chairman, I believe that a large majority of the people of this country favor the reciprocal-trade-agreements program as such, and believe that the President's authority to make concessions should be extended. The basic issue before this Congress is the precise form in which such continued authority should be granted. As the elected representatives of the people, bound by oath and solemn duty to watch over the welfare, we must scrutinize with great care any change requested in the terms of that granted authority, to be sure it does not plunge our constituents into a morass of difficulties far beyond any benefits it may bring to them.

The last Congress enacted a provision under which the President was, in effect, required to notify the United States Tariff Commission as to the commodities for which he intended to negotiate for reciprocal reduction of tariff and other trade barriers. Upon receipt of such notification the Tariff Commission was required to conduct hearings and to make an investigation to determine the point to which duties could be reduced without seriously injuring the domestic industry. Within 120 days after the notification the Commission was required to inform the President as to its findings.

The so-called peril points so established by the Commission were solely for the information of the President, and did not restrict him in any way in the granting of concessions. He was specifically permitted to disregard the peril points and to grant concessions below such points if he felt that the concessions to be gained from foreign countries, and other circumstances, made it advisable to do so. The only proviso was that he was required to report to Congress any concessions granted by him which were below the peril point recommended by the Tariff Commission, together with his reasons for doing so.

The President has now requested that this entire peril-point procedure be eliminated and the bill, H. R. 1211, now under consideration complies with this request. Before acceding to this request, it is highly proper for us to examine into the reasons for it. Congress has a great responsibility to the people of this country to make certain that any delegation of its powers over tariff matters is properly administered, and we cannot, without completely disregarding this responsibility, lightly issue to any President or any administrative body a blank check without at least inquiring into the question of what use is to be made of such blank check.

In negotiating trade agreements the President acts through the State Department and it may be safely assumed that the President's request emanated from, or at least meets the unqualified approval of, the State Department. It is thus highly pertinent to inquire into the State Department's official explanation of the reasons for the President's desire for elimination of the peril-point procedure.

This explanation was made by Mr. Willard L. Thorp, Assistant Secretary of State for Economic Affairs, at the hearing conducted by the Ways and Means Committee of the House. Mr. Thorp

stated that such peril points would be set without regard to any national or international considerations, and would disregard benefits to be obtained by other countries, long-term needs of the economy for expanding markets, the necessity of obtaining the best possible use of domestic resources, possible strategic considerations, or the possible repercussions of our action upon the policies of other countries toward us.

He further stated that the peril-point procedure returns to the old protective theory that only the prosperity of an individual industry is affected by a tariff or a quota, and practically makes such narrow protectionism the sole criterion for determining the concessions which may be made by the United States in trade agreements.

In order that the basic explanation may become apparent, let us analyze Mr. Thorp's statement. In effect he says that the peril points established by the Tariff Commission do not take into consideration all of the factors which must be considered in making trade concessions. He then concludes that the establishment of these peril points practically makes the prosperity of individual industries the sole criterion for determining the concessions which may be made by the United States in trade agreements.

While it may be granted that in establishing peril points the Tariff Commission is primarily concerned with protection of domestic industries, Mr. Thorp's conclusion does not necessarily follow. If the President and through him the State Department, were bound by the peril points and could not grant concessions below such points when other considerations warranted such action, then Mr. Thorp's conclusion would be correct. However, that is not the situation. The State Department is not bound by such peril points and is specifically permitted to disregard them when other considerations, such as those mentioned by Mr. Thorp, indicate a need for such action.

There is no question in my mind that Mr. Thorp is correct in stating that benefits to be obtained by other countries, long-term needs of the economy for expanding markets, and so forth, are factors which must be taken into consideration in determining what concessions should be granted. However, I feel very strongly that protection of domestic industries is at least one other factor which should be considered. The peril-point procedure is designed solely to bring the needs of domestic industries to the attention of the President and to the State Department so that such needs may be weighed in the light of other considerations.

By demanding the elimination of the peril-point procedure, the State Department has in effect said, "We do not want to know the needs of individual domestic industries. We do not want to be told that if we grant a certain concession the effect will be to injure an individual domestic industry. We want to make our decisions without being influenced by any such considerations."

In other words, the State Department wants authority from this Congress to grant trade concessions without any regard to the effect which such trade con-

cessions will have on domestic industry. It wants to close its eyes and ears to any information which would demonstrate the effect on domestic industry. This fact is further illustrated by the effort which has been made to rush this bill through this Congress. The present authority does not expire until June 30, 1949, and yet we are told that it is imperative that the extension be passed immediately. We are not given time to carefully consider the bill or to assemble the information which we should have before acting upon such an important measure, but are told that we must act now, merely because the State Department has demanded it.

Frankly, the only conclusion I can reach as to the reason for such pressure is that the State Department wants a complete free hand in connection with the pending trade negotiations to be held in Geneva in April. It wants to be able to grant concessions during the course of such negotiations without any regard for the effect on American industry.

Perhaps I am being unduly suspicious. However, anytime I am told that the department charged with the responsibility of making decisions which may affect the livelihood of countless thousands of American citizens, does not even want to receive the advice of a non-partisan body, like the Tariff Commission, which was set up for the express purpose of compiling the pertinent facts and figures, I am suspicious, and it will take a lot to convince me that my suspicions are unfounded. We may be told that under the proposed bill the State Department will receive the advice of the Commission since section 5 instructs the President to seek such advice before concluding any agreement. This is quite true, but it does not explain why the State Department is unwilling to have the Commission make a real investigation and determine peril points. Unless the Commission conducts hearings and makes the investigations now required, it will not be in a position to advise the State Department fully as to the needs of domestic industries affected.

I can see no possible explanation for the State Department's demand, made through the President, other than that he wants blanket authority immediately to grant concessions in the Geneva negotiations in April without giving any consideration to the possible injury to domestic industries, and without having to explain to anyone the reasons for such concessions.

I feel that it is the responsibility of this Congress to make certain that adequate consideration is given to all factors, and that one of the most important of those factors is the effect on domestic industry. While I am completely sympathetic to the importance of encouraging the importation of foreign merchandise in order to improve the living standards abroad and to enhance the purchasing power of foreign countries, I do not feel that we should completely disregard the effect which such importations will have on domestic industries. Our first responsibility is to the people of this country and my responsibility is to the working men and women of my dis-

trict, and we cannot ignore that responsibility.

At this point I will give you a concrete example of what gives me concern in the administration of the trade-agreements program. In my district are located a number of plants engaged in the manufacture of pottery and chinaware. They employ thousands of workers who depend upon this employment for a livelihood.

Before the last war imports of china and earthenware were very heavy, amounting to 35 to 40 percent of total consumption in the United States, in terms of number of pieces. During the war imports declined very sharply. Production in this country increased. Since 1946 imports began to increase. In that year imports of chinaware amounted to 198,000 dozen pieces, valued at \$1,600,000 on the basis of foreign valuation. In 1948, through November, the quantity imported rose to 1,747,000 dozen pieces, or almost ten to one compared with 1946. Value of the imports went up to \$6,202,000, representing an increase of nearly three to one.

In 1948 imports from Japan and Germany have shown the sharpest increase. In 1947 Japan sent us 205,000 dozen pieces of china, household, and tableware. In 1948, through November, this quantity had increased to 926,000 dozen. Germany sent us 118,000 dozen pieces in all of 1947 and 429,000 dozen in the first 11 months of 1948. In both instances the increase in value between the 2 years was even more striking. Together, Japan and Germany shipped us over \$3,300,000 worth of chinaware in the first 11 months of 1948. In both cases the trend of imports was still distinctly upward.

If the pottery industry were a giant such as the automobile industry, imports of this magnitude could be contemplated with cool assurance that no threat was implied in them. However, our own production of household china has been estimated at only \$10,000,000 for 1948. In other words, imports during the first 11 months of the year amounted to over 60 percent of the domestic production for the entire year.

Other branches of the pottery industry are also affected by a sharp rise in imports. Earthenware imports in 1948 amounted to more than \$4,500,000, and imports of pottery artware amounted to approximately \$3,500,000. Total pottery imports thus exceeded \$14,000,000 in 1948.

Is there any wonder why we want to know where we are headed? The State Department minimizes such results of their action. They point to the escape clause as a remedy. This is a wholly unsatisfactory recourse.

It would be much sounder procedure to gain a better idea beforehand than to await damage that will be difficult to repair. The way to meet this situation is to have a competent agency make adequate investigation before action is taken.

What would we say if the Army or Navy proceeded on the theory that it is better to wait until we are defeated in battle before obtaining as full intelligence reports as possible? Certainly if

information is a proper guide to action in all other fields of human endeavor, this also applies to cutting the tariff, unless it is assumed that the welfare of industry and its employees is of no importance.

We have another example of how little the State Department is concerned with our industrial welfare, including the standard of living of our workers. This very day Czechoslovakia, which went under Russian control a year ago, enjoys the benefit of a trade agreement with us. During the first 11 months of 1948 we imported \$475,000 of table and art glassware from Czechoslovakia.

This was more than we imported from any other country—nearly twice as much as we imported from Italy, Germany, and Japan combined. The entire glass industry of Czechoslovakia has been nationalized. By helping Czechoslovakia we give economic support to the countries behind the iron curtain, and we do this at the expense of employment in our own factories.

It is for these and similar reasons that I am not satisfied to rest the administration of the trade-agreements program wholly in the hands of the State Department. That Department has a legitimate and proper place in the program. We must look to it for all contacts and negotiations with foreign powers; but that does not mean that it should have a free hand to do as it pleases without guidance from the legislative branch in matters for which Congress is directly responsible to the people.

The most effective way of assuring this lies in lodging with the Tariff Commission the power to give authoritative guidance to the State Department on the basis of studies and investigations. With proper liaison between these two agencies, while maintaining the independence of the Commission, we could face with greater confidence the future course of the trade-agreements program.

The facts I have just given you in connection with the pottery industry are the facts about which the State Department wishes no information when negotiations are carried on next April at Geneva and thereafter until June 12, 1951. They are the facts which the Tariff Commission would consider in establishing peril points under the provision in the existing law, and the State Department has said that it does not want to know what those peril points are. I do not think the State Department or the President should be permitted to be without this information, or to ignore it when they have it. I think they should be required to consider the effect on American industry, along with other factors involved, and if they then decide to make concessions which may jeopardize the future of an American industry, the responsibility is on the President, and he should be required to explain the reasons to Congress.

We are entitled to know the facts. If an American industry is to be jeopardized in order to provide a market for foreign goods, or to provide a foreign market for the goods of other domestic industries, we are entitled to know the considerations which prompted the concessions which bring about such a result. We

were elected for the purpose of representing the people who will be affected, and we are the ones who are going to have to explain the reasons why it was necessary to destroy the industries which have provided their livelihoods.

Why the State Department is unwilling to furnish us with the reasons I cannot understand. Perhaps they feel that in 4 years all will be forgotten and forgiven. It may be possible that people who are thrown out of their jobs as a result of concessions granted by the State Department next April, may have been able to get other jobs and be willing to forget and forgive 4 years from now, but I seriously doubt that they will have forgotten or forgiven 2 years from now when you and I are called to account.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, the pottery workers—those splendid craftsmen who produce chinaware—in the southern and eastern sections of my State of Ohio to whom the gentleman from Pennsylvania [Mr. SIMPSON] adverted as being jobless because of the import of dishes from England—are employees of pottery manufacturers who have been operating highly profitable businesses during the past 14 years. These workmen are my constituents. An overwhelming majority of them gave to the President of the United States and to me as candidate for Congressman at Large their votes last November, and I am serving this fine constituency and the people of this Nation with fidelity and zeal when I urge the passage of this bill. These workers were jobless and these potteries were closed back in 1932 following the enactment of the Smoot-Hawley prohibitive tariff which had stifled international trade and paralyzed our commerce.

Mr. Chairman, may I now explain briefly, just why the administration opposes the present legislation passed by the Eightieth Congress last June, and why it is considered imperative that the original Trade Agreements Act, in operation since 1934, should be restored in its entirety.

The Trade Agreements Act of 1934, fathered by this Nation's former great Secretary of State, Cordell Hull, one of this Nation's most farsighted and greatest statesmen, is a tried and tested piece of legislation. It has been subjected to the anvil of public criticism for 14 years. It has been renewed in almost its original form four successive times. Only in 1945 was an important modification made in the original act and that was to provide a different base year upon which changes in tariff rates could be made. No significant procedural changes have been found necessary in all these years provided, and this is an important proviso, provided there is agreement on the basic purpose of the act.

Last year, and let no one misunderstand this, last year, there was no agreement on the basic purpose of the act. There was disagreement. Procedural changes were introduced, not for procedural reasons, but because the authors of the procedural changes were not in agreement with the basic underlying philosophy of the trade-agreements pro-

gram. They sought through the introduction of procedural changes to alter and deflect the operation of the entire program—their protests to the contrary notwithstanding.

They did not attack the program and the act head on. They masterminded a flank attack under the guise of procedural amendments. These innocent appearing changes in procedure fooled a lot of people because they seemed so plausible and so innocuous. The only way the true significance of these changes could be quickly evaluated was to examine the records of the authors—records that indicated consistent and bitter opposition to the trade agreements program for fourteen long years.

The purpose of the Trade Agreements Act is to expand the international trade of both the United States and other countries. The act has been the cornerstone of our economic foreign policy. It is the legal authority for the trade-agreement program and is continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as the basis for permanent peace.

Mr. Chairman, a Republican majority, now a minority, did not further the expansion of international trade by introducing procedural restrictions into the basic law which is the keystone of our economic foreign policy. Mr. Chairman, you will agree that we did not strengthen the trade-agreements program by limiting the extension of the act to 1 year rather than the customary 3 years. On the contrary, last spring we weakened the trade-agreements program and we loaded the act with a lot of unnecessary restrictions—totally and absolutely unnecessary. These restrictions are today hampering the very people to whom we delegated the job of expanding our foreign trade and who are about to conduct negotiations with other countries looking to the reduction of trade barriers. It does not make sense.

Let us look at these new restrictions foisted upon our people last year by a protectionist minority and which we would like to eliminate and which we will eliminate by the passage of the pending bill.

The extension was only for 1 year compared with 3 years as was the case in the past. This makes foreign countries feel that we are vacillating, are not sure of the policy ourselves, and do not mean business.

It also makes other countries dubious about our efforts under the Economic Cooperation Act to get them to reduce their own tariff barriers against each other. The Economic Cooperation Act, section 115 (b) (3)—approved by both Republicans and Democrats in the Eightieth Congress—requires each ERP country, as a condition of obtaining aid from the United States, to conclude an agreement with the United States, under which it pledges its efforts toward cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade

among themselves and with other countries.

The present trade agreement law, which we are preparing to change, permits the United States Tariff Commission to supply statistics and facts to the State Department and the other agencies which must make the decision on trade agreements, but it specifically forbids the Tariff Commission from giving advice. This is a serious defect because the Tariff Commission with its accumulated knowledge of tariff matters acquired since 1916 and with its bipartisan complexion—three Republicans and three Democratic Commissioners—is able to give very good advice. The Tariff Commission was a vital part of the entire interdepartmental machinery in the 14 years prior to June 1948.

Instead of advice, the Tariff Commission is directed to report to the President within 120 days on each item upon which the United States contemplates tariff negotiations. It is required to estimate in advance the exact point beyond which tariff cuts might cause or threaten injury to a domestic industry.

Because there is no scientific method of ascertaining such a hypothetical point which would hold true for 1 year, let alone 5 years, the Tariff Commission is forced to bend over backward in the direction of caution. No calculated risk can be taken. The effect, of course, is what the authors wanted, protectionist to the extreme.

The present law permits the President to go further than the Tariff Commission's so-called peril points, but if he does so he must give his reasons to Congress within 30 days. Let us not fool ourselves. This means as a practical matter that the limits set by the Tariff Commission are the controlling factors and the last say in tariff negotiations regardless of the viewpoints of other agencies.

The Tariff Commission cannot take account of the interests of our exporting industries in coming to its decision. The Commission cannot take account of the interests of consumers and the interests of industries using imported raw materials in coming to its decision. The Commission cannot even take into account the interests of the United States economy as a whole. No, the only factor to be taken into account by the Tariff Commission is the protection of domestic producers against threatened—not actual, but threatened—injury.

The so-called peril-point system is not only an impediment to the coming tariff negotiations but it is completely unnecessary. Every trade agreement negotiated by the United States in the last 6 years has contained an escape clause which specifically states that if after a tariff cut is made it results in abnormal imports that cause or threaten injury to domestic producers, the Tariff Commission shall investigate such cases, report to the President, and the President may withdraw the tariff concession without even having, in critical cases, to consult with or obtain the consent of the other parties to the agreement.

The advantage of this escape clause is that it can be utilized when injury is a fact or about to become a fact. It does not prevent concessions from being made,

or an entire agreement from being made, because 10 years from now injury might be threatened by a rate which is cut today.

In all the 14 years of the operation of the trade agreements program the fear has been constantly expressed that modifications in the tariff would bring ruin to this industry and to that industry. No concrete evidence has been put forth to substantiate actual injury but much has been said about the future.

Mr. Chairman, we do not propose to formulate the basic economic foreign policy of this great country of ours upon a foundation of fear. We must and shall take a more positive, a more affirmative position. We shall be prudent like the pioneer who helped build this Nation, but we shall not strangle our future prosperity or the peace of the world because of a refusal to take a carefully calculated risk. We would not be able to look our children or our grandchildren in the eye let alone the people throughout the world who are struggling with poverty and the Circe call of a tyrannical collectivism that promises them the earth.

I hope the membership of this House, realizing the importance of this legislation, will vote affirmatively on the bill as reported from the Ways and Means Committee.

In the interest of a sound national economy and international peace, the State Department should be encouraged to engage in even more vigorous efforts to reduce trade barriers. International trade is not a one-way street.

The method of permitting the State Department to investigate, hear objections from domestic producers and negotiate reciprocal agreements is vastly superior to the politics-ridden, logrolling tariff making Congress has too often indulged in under the old order before 1934. The old system generally resulted in higher and higher barriers because favors were granted to one local interest after another as against the welfare of the Nation as a whole.

One of the greatest advances under the reciprocal policy was made in 1947 when the United States signed an agreement with 22 other nations covering tariff rates on 45,000 items. Then, last year a Republican Congress reversed the whole trend. It extended an emasculated act for only 1 year—to await further attention when the Republicans had taken over both White House and both branches of the Congress.

Under the Republican Smoot-Hawley Act, with the prohibitive tariff of early 1930, our international trade was destroyed. We built a wall around our country and other nations retaliated. Farmers became bankrupt. They could not make enough money to pay interest on their mortgages and to pay their taxes, and city workers were thrown out of employment by the millions. This largely because of the old protectionist doctrine that foreign goods should not be allowed to enter this country if they undersold a domestic producer—no matter whether American consumers benefited or whether foreign consumers were enabled to buy goods other American

producers had to export. The old policy of special privilege to a favored few gave no weight to over-all national interest or to trade's effects on international peace.

We must not adhere to the old order. We must not turn back. We must go forward.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, a meeting of the contracting parties to the general agreement on tariffs and trade is scheduled for April 11 at Annecy, France.

Therefore, we are being asked to rush through a bill which would extend the Reciprocal Trade Agreements Act without proper safeguards.

To promote international trade and cooperation, the Congress is supposed to step aside and permit the State Department to have full freedom of action in this matter.

H. R. 1211 throws all precautions overboard and places the whole American economy at the mercy of the State Department.

I submit that such a blanket delegation of power without check is dangerous. It is a surrender by the Congress of its watchdog functions to an agency of the Government which is not primarily interested in domestic problems and is not prepared to cope with them.

I believe in the theory and the application of reciprocal trade, but not in a reckless fashion. We cannot achieve it overnight without losing our shirts. There is such a thing as being too generous, which leads to bankruptcy.

Why are so many nations concerned about developments within the United States? It is because they recognize us as the steadiest factor in a world economy. If we should falter, they will suffer. Remembering the high and rigid tariffs of another generation which were responsible for contraction of trade leading to global depression, they would have us go to the other extreme of free trade. But I contend that we can go too far and too fast in this direction. Great as our resources are, they are not limitless. If we go on giving and giving and giving we can exhaust ourselves and become absorbed by a world whose general level of economic activity is insufficient.

Reciprocal trade, to work, must be a two-way street. There is no use in helping others unless they will respond by making some effort to help themselves. And not as parasites sucking the lifeblood from our productivity.

There are other and undeveloped markets of the world where they can sell their goods without competing with our own manufacturers on our own home grounds.

We can help these nations with American technical know-how and with genuine loans, but not at the expense of our domestic market. There are raw materials and certain products which we need from them without inviting competition in those goods which we produce in abundance.

Duplication serves no purpose, even in the name of competition, unless both parties are somewhat evenly matched. That is the basis of our concern over

monopolies. An American industry, with all its financial strength, its managerial, technical and labor skills, cannot compete with foreign goods which are manufactured at slave wages without some tariff protection. The only other alternatives are:

First. A lowering of the American wage rate and standard of living, which is inconceivable; or

Second. An upward revision of wages paid in foreign industries, to put competition on a fair basis.

The latter is the crux of the whole problem, and I maintain that we should make tariff concessions only to those countries which raise the true wages of their industrial workers. Such tariffs should be graded downward to the extent to which such wages approximate those paid in a like industry in this country. In time, we might even work out a transport differential. Then competition would be truly free and fair.

The bill under our consideration ignores such necessities.

In order to comprehend the dangers in H. R. 1211, we must keep in mind the original Trade Agreements Act of 1934 and the present act, which was passed in June of 1948, to extend for 1 year the original act with amendments.

The Trade Agreements Act of 1934 was for the purpose of expanding foreign markets for the products of the United States as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among the various branches of American agriculture, industry, mining, and commerce.

Times have certainly changed since 1934.

We have no national economic depression and there is no surface evidence, at least, that agriculture, industry, mining, and commerce are feuding and fussing with one another.

Under the proposed bill, however, the President may enter into agreements solely for the purpose of expanding foreign markets, even though such agreements result in the practical destruction of existing domestic markets, with a consequent impairment of the American standard of living and a depletion of the purchasing power of the American public.

Existing legislation provides that the Tariff Commission shall determine the peril points beyond which tariff deductions will injure particular American industries and that, if the President disregards these peril points, he must explain to Congress the reasons for his action or inaction.

By inserting this provision, Congress recognized that officials who are preoccupied with our international relations are not the best judges of problems on the home front.

They have not demonstrated that the procedural requirements of the 1948 act are unworkable. In trying to remove present precautions, they indicate a fear of the facts. What other interpretation can be given to the rush tactics employed

on this legislation, which is being steam-rollered through as a top-priority bill? The present law does not prevent the President from acting in disregard of the findings of the Tariff Commission; it merely provides that when he does so, he must advise the Congress. The proponents of this new measure apparently believe that if the Congress is not given time to get at the facts, the negotiators of trade agreements will be given full and arbitrary power to do as they please. Their sole concern is to expand foreign markets at any cost—even at the sacrifice of some American industries.

Last year, Congress prudently limited the extension of the trade agreements to 1 year, knowing that economic conditions are not fixed and rigid. In the leveling-off period which we are entering, trying to find the balance between inflation and deflation, it is necessary that we give first consideration to the needs of American agriculture and industry. This requires a flexible rather than a dogmatic approach to economic problems. We cannot afford to jettison our textile plants and workers who clothe us for the sake of favored industries who might want to sell out American textiles so that they can fatten on foreign markets.

There are many who oppose the steadily increasing power of our Federal Government. But how about the further centralization of power within the National Government itself? I consider this to be the real danger. The Congress has already delegated too many of its responsibilities to executive agencies. Shall we continue this process to the point where we wash our hands of all responsibility to American industry and American workers? In my book the answer is "No."

I maintain that the United States Tariff Commission, a Government body of nonpartisan character as appointed by Congress, should be the chief agency for such fact finding in foreign trade negotiations. If you decide for the purpose of efficient administration to delegate the power to change trade treaties, such delegation should not be absolute. It must be given only to those whose public duty it is to constantly consider the effect of such proposals on the American industries involved. And they should report frequently to a watch-dog subcommittee of this House.

I represent a district which is the center of woolen and worsted manufacturing in the United States. In the 125,000 population area of greater Lawrence, Mass., over 12,000 people are out of work, and the situation is reminiscent of depression days. And English woolens and worsteds are on sale in Lawrence at prices lower than the same type of goods which are manufactured in the local mills.

This is coincident with the announcement that such goods have been lifted from the rationed list in England, which indicates that they have a sufficient supply for their own use and have a surplus to export.

Perhaps there are some consumers who would be willing to buy goods manufactured in a foreign sweatshop, because they can buy them cheaper, without giving a thought to the fact that they may

be putting American textile manufacturers and textile workers out of business.

Again, there may be some American manufacturers and workers who may be short-sighted on this score. As long as they can do a little international log-rolling with foreign industries and through the medium of governments, they care not about those American industries such as textiles which are lost in the bargaining process.

A point falsely advanced to cover up such manipulations is that some American industries, chiefly those using metals, have no tariff protection. It is claimed that they do not fear imports in their line, even though they pay high wages for short hours. They assert that their productive skill will more than offset imports which are manufactured at low wages abroad.

The real point is, however, that foreign nations are not producing such goods in quantity and must import them from the United States. Incidentally, such types of metal goods as machinery will enable those foreign countries to become active competitors, with a definite low-wage advantage in the American domestic market.

It may sound like heresy to state this, but in the one field where we consider ourselves supreme—the automotive field—we note a beginning of a reverse trend. Thousands of lower-priced, smaller, and more-economical-to-operate English cars are being sold in this country.

Most of the raw material—wool—of the woolen worsted industry comes from outside the United States. The metal, or nonprotected industries like automobiles and typewriters, get nearly all of their main raw materials from within the United States.

These metal industries are strong supporters of no tariff or low tariff so that they can get dollar exchange in England where they sell their goods. Now this is fine for them, but at a reciprocal sacrifice of American woolens and worsteds which must then meet the unfair competition of English fabrics which are manufactured at one-third the labor costs of American goods. And there are many countries which pay lower wages to their textile workers—far lower even than those prevailing in England. Need I mention, for example, the alleged peace price by the Kremlin, the price of which will be a huge gift of machinery from the United States to set up a most formidable slave-wage competitor?

Russia, with modern American-made textile machinery and its slave labor, might sell woolens and worsteds in Detroit at a price with which our manufacturers of the same goods could not compete. The Detroit automobile worker might think he is getting a bargain. But how could he prosper, once this downward chain reaction begins? He would soon find himself out of work for the reason that displaced wollen-worsted workers of the United States, and those dependent on them, would be unable to buy the cars which he produces.

We cannot raise the world-level of prosperity by pulling our own level down.

The only way is to keep our standards high and to make tariff concessions only

to those nations which raise their living conditions and only to the degree in which they do so.

Let us export incentives to other countries, but not export the jobs of New England's woolen and worsted workers.

This textile industry, so vital to the American economy and to our national security, has been pushed back to the peril point by the overgenerous concessions of our reciprocal trade policy.

The supporters of H. R. 1211 point to the President's assurance than an escape clause will be incorporated in each trade agreement. I believe that this should be required by law to express the intent not only of the President but of Congress as well. I further believe that it should be so worded as to make it function immediately to protect any American industry which is threatened under a rate prescribed by a trade agreement. The escape clause heretofore used is inadequate. It must be so amended as to be mandatory, with provisions for its immediate and effective enforcement.

The Congress should maintain continuing interest in the manner in which supervision of tariff rates is used or abused. The Tariff Commission is an agency of the Congress, created to help us in our constitutional responsibility of regulating foreign commerce. But our first duty is to represent the people and the industries of our respective districts and to harmonize those interests with the needs of our Federal union.

Having given up to a request that certain of these functions be delegated to the executive branch of the Government, we should not abandon our responsibilities completely. We must insist on hearings and reports from the Tariff Commission, acting jointly with the Committee for Reciprocity Information. And we should require that the Executive report to us directly when he acts contrary to these tariff recommendations. This is our right and our duty.

Gentlemen, I beg you to make these reasonable amendments to H. R. 1211 before our great woolen and worsted industry, among others is bargained into a depression.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. REED of New York. Mr. Chairman, I yield 40 minutes to the gentleman from West Virginia.

Mr. BAILEY. Mr. Chairman the matter that brings me before the Congress, today, is not new. As a Member of the Seventy-ninth Congress in 1945, and as a rank tyro in legislative procedure I endeavored to establish certain safeguards under the Reciprocal Trade Agreements Act for some of the major industries of my district and my native State of West Virginia.

Aside from the dubious honor of calling attention to the so-called escape clause in the Mexican agreement of 1945, I failed to obtain any relief. The manner in which this escape clause is being administered in existing reciprocal treaties leads me to wonder if I even won anything—even though the escape clause has been written into all agreements

since 1945. I never like to criticize unless I offer constructive substitutes.

While the years subsequent to 1945 have added more gray to my fast-thinning hair, I sincerely hope they have also given me greater information and wisdom with which to plead the cause of these much harassed industries.

What, in the war year of 1945, was described by one of my opponents in debate as a mere skin irritation on our economy bids fair in these postwar years to break out into festering sores that will blight great sections of our industrial life, thereby causing unemployment, reduced purchasing power and destroy the economic well-being of thousands of America's skilled workmen.

Once more I crave your attention while I endeavor to depict not only what is happening to the woodworking, pottery, and hard-made glass industries of our Nation but what is sure to happen to these sorely pressed trades if H. R. 1211, now before you, is approved in its present form.

I am unofficially informed that the State of Oklahoma is greatly worried where State revenues derived from a production or severance tax on oil are dwindling and threaten to hamper governmental operations.

Mr. Chairman, it is clearly apparent to the Members that this protest is not just an isolated instance. Were it not for the apparent haste by which this pending legislation is being rushed through the Congress, I could place in the RECORD scores of instances to show where other of our basic industries are being and will be affected by this legislation.

In formulating a tariff policy, we have to contend with a problem peculiarly our own—the high standard of American life—which, expressed in terms of any money in comparison to an ounce of gold, shows we are willing to pay more for services and merchandise than any other country in the world.

Such a status is an invitation for the rest of the world to sell its goods, produced by means of cheaper labor, in our higher-priced markets, and of necessity, for the protection of our industry and our labor, we must adopt a tariff plan to cope with that situation.

I realize full well that I am treading on somewhat sacred ground—in that my party—the Democratic Party—is pledged to the theory of reciprocal trade agreements as a necessary function in expanding world trade. I, personally, made no such commitments. On the other hand, I stated clearly my determination to defend the interests of my State and district should the demand for continued reciprocal agreements be made in the Eighty-first Congress. I shall not again be misled into supporting any legislation so obviously injurious to my constituents.

One major fault, if I may make bold to suggest, in our tariff making policy is that import duties are based on foreign costs of production and not on American. On foreign standards of value, not our standards.

Our State and Commerce Departments and even our Tariff Commission compile their import data on the basis of import volume and not on a basis of import

value. This policy supplies valuable information insofar as statistics go, but it affords no picture of the impact on our economy because it is not "spelled out" on a dollar and cents basis. To avoid these sudden fluctuations in foreign money standards and exchange rates would necessitate rewriting all of our tariff schedules—a huge task—but a task that some future Congress could well undertake.

Before speaking directly to the subject that brings me to the floor of the House I would like to browse around a bit and see how this panacea for all our economic ills is working in industries other than the pottery, woodworking, and hand-made categories. I was much impressed by testimony, given this past week before the House, Committee on Education and Labor, of which I have the honor to be a member, by some of the South's outstanding textile producers who complained of competition from Mexico, Chile and Haiti where American capital was used during and since the war to build textile plants that are now exploiting the cheap labor of those nations and making and shipping into this country, under the favorable terms of existing reciprocal trade agreements, both finished and unfinished goods. In one instance men's shirts were being imported but without collars and cuffs. Those necessary appendages were put on after they were past our customs. A glance at paragraph 919 of the Hawley-Smoot Act of 1930 will explain the device used to take advantage of our adjusted rates to comply with the terms of a reciprocal agreement with that particular country.

The operators of the sponge industry in Florida are complaining of the mounting imports of sponges that are being reshipped under the Marshall plan to Germany and the United Kingdom for polishing hand-made china in the pottery plants.

Here is one that should interest my colleagues from Oklahoma and Texas who are just recovering from the solar plexus blow caused by the recent drop of approximately 75 cents per barrel in the price of crude oil. They can find the answer in recent Commerce Department reports on the importation of crude oil from Venezuela and Mexico. Already the impact of 600,000 barrels daily is being felt on the economy in the Red River Valley and on the Osage plains where domestic production is greatly curtailed and in some instances suspended.

Despite our Economic Cooperation Administration program, aimed primarily at rehabilitating war-ravaged western Europe, trade conditions remain unsettled. Already we have seen devaluation and repudiation of the value of money standards in these nations. In other nations, with which we have reciprocal relations, we see total disregard for their treaty obligations. In others, we see import quotas imposed that put American industry at a disadvantage. We cannot escape the observation that those charged directly with the administration of our Reciprocal Trade Agreements Act are lax in enforcement or totally disregard the rights

of American commerce through means of the escape clause in existing agreements.

Under our present tariff system there has grown up in this country mass production in many lines of industry. Whether this system is beneficial or not I am not discussing, but it must be apparent that under this system, with our present economic set-up, we will be impotent to provide necessary employment for all returned war veterans and other workers who will be out of employment when the cold-war emergency passes. Particularly will this be true if we sacrifice one American industry in an effort to give other nations buying power to enable them to purchase the exported products of some other American industry. My native State of West Virginia, now the leading glass-producing State in the Union and a large producer of pottery products and clothespins, protests being made the guinea pig for such an experiment.

The present trade agreements do not limit the amounts of any given article that can be imported, and in many cases we have observed that, due to this fact, we are uncertain regarding the quantity a foreign exporter of a given commodity will throw on our markets. Very often as little as 10 percent or less of an imported competitive article ruins the price structure of both the imported and the domestically produced equivalent article.

At present, under the terms of the Reciprocal Trade Agreements Act of 1945 and as amended in 1948, we find deplorable conditions existing in the industries for which I plead. Lack of a backlog of orders or no orders at all has brought unemployment, forced lay-offs or resort to share the work plans. In view of this situation I question the wisdom of the Eighty-first Congress giving a free hand to either our State Department or even to the Tariff Commission any further authority to negotiate probable reductions in tariff rates on the clothespin, pottery or hand-made glassware, crude oil, textiles, shoes and many other industries of the Nation.

The situation, as it affects the glassware and pottery production, is further complicated by the actions of our military authorities in the occupied portions of Germany and Japan and by the Marshall plan administrators in England and Belgium, where millions in American tax dollars have been expended in rebuilding and rehabilitating pottery and glass plants from which the flow of imports threatens to close our American factories. Every effort on my part to get the details as to how many such plants have been rehabilitated and the cost of such work has been met by Army officials with the excuse—"Sorry we do not have the details." It occurs to me Congress might well be interested in knowing these details as a prerequisite to a safe and sane tariff policy.

I have information, the source of which I am not at liberty to disclose, to show that ECA has expended in England alone the sum of \$1,250,000 in 1947 and 1948 for rehabilitation of pottery plants alone. Twelve million dollar program under way in Italy. How much of this is Marshall fund money?

Under the favored nations clause, these occupied territories are accorded the same reciprocal treatment as is accorded the other 21 nations party to the Geneva agreement in 1947, one of which nations is Czechoslovakia—behind the iron curtain—where good American dollars used in the purchase of glassware products are going to build up Soviet Russia's economy.

When I pleaded with you in 1945 conditions were bad in both the pottery and glass industry. Only because of the fact the rest of the world was gripped by war were they able to operate, producing ware for domestic consumption. Today their troubles are multiplied by the upward spiraling of foreign imports as other nations resume full production and must find a market in America for their surplus products.

CLOTHESPIN INDUSTRY

I desire to call the attention of the House to the subject of wooden spring clothespins. One of the largest plants making this product is located at Richwood, W. Va., and employs approximately 200 workmen, whose jobs are menaced by a form of competition they are unable to meet because of high production costs.

America is still geared to a wartime economy. Production costs per gross for these pins have mounted, on an average, from 31.4 cents in 1931 to 69.9 cents for bulk and 86.5 cents for packaged goods in 1948. Sweden and Denmark furnish most of the competition. They are responsible for 85 percent of all imports. Compared to our production costs the most recent estimate of production costs in Sweden show they are able to manufacture, pay the ocean freight, insurance, brokerage, and the 10 cents gross import duty and offer these pins for sale at New York for 59.3 cents per gross.

Swedish imports in 1935 were less than 100,000 gross. For the first 11 months in 1948 these imports were 909,865 gross worth \$498,611 and are estimated to reach a total for the year of 1,140,000 gross. Figures obtained from our own Commerce Department show Sweden produced, in 1948, a total of 2,500,000 gross in excess of her normal domestic needs. She must find a foreign market for this surplus. One Swedish firm alone is prepared to offer 1,000,000 gross for sale. The price is 47½ cents per gross in lots of 10,000 gross or more.

It is estimated that the normal demand for spring clothespins in the United States is from 3,500,000 to 4,000,000 gross annually. Current average domestic production is at the rate of approximately 400,000 gross per month, or approximately 4,800,000 gross annually. For a variety of reasons current production is not up to capacity. Imports of 1,140,000 gross annually is more than 25 percent of domestic production. Domestic production capacity is more than adequate to supply the normal demand in the United States without importation of any foreign spring clothespins.

Because of high costs of manufacturing in the United States, there is little or no market for American spring clothespins in foreign countries, so that domestic producers are entirely depend-

ent on the domestic market. Total exports during 1948 were less than one-half of 1 percent of domestic production.

In 1931, under the Hawley-Smoot Act, the import duty stood at 20 cents per gross. Today, under the 1945 Reciprocal Trade Act in conformity with the Geneva agreement of 1947, the duty has been reduced to 10 cents. Under the proposal now pending (H. R. 1211) it will be possible for a further reduction downward to 5 cents per gross.

Sweden is listed as one of the 13 nations for further reciprocal trade discussions at a conference to be held in Geneva in April of this year. She is asking for further concessions on clothespins, which if granted will apply to all other nations. If this is done, it will be at the expense of our American economy. I suggest that the Congress consider a restoration of the original 20 cents duty as provided in the original act, rather than permit further reduction of the present 10-cent rate of duty.

HAND-MADE GLASS INDUSTRY

I want to make clear to the Congress that I am not pleading the case of the American manufacturers of window glass and plate glass. It is common knowledge that the four large concerns in this country producing this type of glass have a virtual monopoly on their product through the means of cartel arrangements with Belgian producers which prohibit imports into this country.

United States manufacturers of hand-made glassware are fully cognizant of the necessity of stimulating foreign trade. They are not interested in creating tariff barriers just for the purpose of eliminating competition. All they are seeking is the equal opportunity of selling ware made by American workmen at American labor rates as is provided foreign manufacturers using foreign labor at low foreign wage rates.

In 1948 the hand-made glass table, ornamental, and stemware industry in the United States was estimated at \$42,000,000. There are 78 companies which employ 35,000 workers. Most of these employees are highly skilled. They are wholly unfitted for work in other industries unless it would be using a pick and shovel.

Most of the plants making this type of ware are located principally in the States of Pennsylvania, West Virginia, Ohio, New York, New Jersey, Oklahoma, and California, but there are a few plants scattered in other States. The majority of these glass plants are located in small communities and contribute very substantially to the economic life there. Only 10 of these plants are in or near cities of over 50,000 population, while the other 68 support smaller towns, of which 37 are the important industries in their communities of less than 10,000 people. Therefore, in the great majority of these plant locations the very existence of workers and their families, merchants, service business, and the entire area economy depends on the pay rolls and continued operation of these glass plants.

In order to avoid misunderstanding, I wish to state that the large variety of glassware referred to is produced by all known glass-manufacturing methods;

that is, first, entirely free hand; second, hand-blown or hand-pressed with the aid of molds; third, by semiautomatic blowing or pressing; and also by, fourth, full-automatic pressing or blowing. In hand plants the principal cost is in highly skilled labor while in automatic machine production expensive machinery and wages of skilled operators and mechanics represent the principal cost of production.

The hand-made glassware industry is in much greater danger from low-cost foreign imports. In spite of this, I have no thought of eliminating foreign competition. I only oppose tariff reductions on hand-made glassware, when the nature and extent of the proposed reduction will make it difficult for an American glass plant to operate with a reasonable profit and to maintain current high wages which our labor is entitled to and now receives. All this industry asks is the opportunity of selling its products in a fair competitive market in which foreign glassware will not have an advantage due solely to the cheap labor by which it is produced.

The Congress must realize the seriousness of the situation when I point to the fact that hand-made glass and artware is only 4 percent of the total domestic production which has a value of \$904,000,000. On the other hand, since there are no imports of window glass and plate glass, all of the competition is against hand-made articles, where the imports of \$5,556,000 are 13 percent plus of our total domestic production for 1947. Due to our Army and ECA activities this percentage is sure to rise and by the end of the year will reach the prewar level when imports were 23 percent of the domestic production.

It is all the more apparent why these industries need protection when you compare the imports of table and kitchen glassware in 1937 with the imports of 1947. The real story of their plight is found in comparing the imports of 1947 with the first 10 months of 1948 when imports from Sweden, United Kingdom, Belgium, Germany, Czechoslovakia, Italy, and Japan show an alarming upward spiral. A total of 70 percent of all imports of this type of glass comes from Czechoslovakia, the United Kingdom, and Sweden.

Since such a large volume of hand-made glassware could be shipped into this country so soon after the war and during the third year after hostilities ceased, we surely must expect considerably more in the near future, when more normal conditions will exist abroad. I can see no reason why we should share our own domestic markets with central European countries, when, because of our necessarily higher prices we would be prohibited from recapturing elsewhere in the world market this lost domestic-market volume.

The glass-producing countries abroad have always built and expanded their industry for export and not for home consumption. Here in America we have seen a steady growth of the whole glass-producing industry in step with our steadily growing domestic economy. While we have had a greatly increased export busi-

ness during the recent war years, this can only be of a temporary nature. Particularly exports of hand-made glassware will soon shrink to insignificant low levels as soon as our very limited export markets can be loaded with cheaper products from European factories. Up until now, shipping facilities all over the world have been far from normal. However, steady improvements are being made and to the same extent to which they are made possible, our export volume is shrinking.

The war-torn countries of Europe as well as many other countries in this world which were isolated by the war, are in great need of all kinds of glassware. In some cases glass items are actually so scarce that an emergency exists. It is reasonable to conclude that in these places an abundant market exists for all foreign glass producers. Any increase in volume of their production, by all good reasoning, should go there, and not to the United States of America. It would be well if these countries would lower or even drop their import tariffs in order to attract glass imports.

For the same reason, it is not logical to divert the foreign trade in glassware from those who actually need it, toward our highly competitive markets in America by lowered tariffs and all kinds of special trade agreements. To help with every means at hand to expand the glass industry in Czechoslovakia, Sweden, and many other countries at the expense of our own prosperity is quite illogical to me. With importations at present high levels, foreign credit balances are enabling our competitors abroad to purchase glassmaking machinery and other glass plant equipment which they so urgently need. This in turn will surely make them more competitive than ever before, and only shorten our own chances of survival in an already highly endangered situation.

I cannot agree to a policy of selling out, nor relinquishing our chances to progress, to expand and contribute to the prosperity and future of America. Our State Department officials, who are soon to begin negotiating in Geneva, should most certainly be made aware of the fact that they are about to ruin the future of the handcraft industries in America, if they insist on further lowering tariff rates, and particularly do we desire to have them impressed with the fact that any reduction in tariff rates on hand-made glass items will shortly cause our industry to be face to face with oblivion.

We here in America with our high standard of living, high wages and favorable working conditions can not meet this "cut-throat" competition. Our hourly wage rate in the United States averages \$1.42; the rate in Belgium is 31 cents; in France it is 33 cents; in Czechoslovakia, 20 cents; in occupied Germany it is 35 cents; in Japan it is 7 to 10 cents; in the United Kingdom it is 52 cents, and in Italy 24 cents.

So that I might give the Congress a true picture of what faces this particular industry, I have secured from my own personal representative in the area affected some startling facts. Here they

are, taken from his communication to me:

You asked me about the condition of the number of plants in your district. It follows:

West Virginia Glass Specialty Co., Weston, W. Va.: Running full but very little backlog and scraping the barrel for new business.

Louie Glass Co., Weston, W. Va.: Opened last Monday, having been closed for 3 weeks because of no backlog or new orders.

Weston Glass Co., Weston, W. Va.: Closed. Lewis County Glass Co., Jane Lew, W. Va.: Opened last Monday after 2 weeks' lay-off because of no orders, and they report no backlog.

C. A. Borchert Glass Co., Weston, W. Va.: Running part time for lack of orders.

Colonial Glass Co., Weston, W. Va.: Running part time.

Mountaineer Glass Co., Weston, W. Va.: Running part time.

Ludwik Glass Co., Glenville, W. Va.: Opened last Monday after a 3-week shut-down because of no orders.

McBride Glass Co., Salem, W. Va.: Closed, no orders.

Mid-Atlantic Glass Co., Ellenboro, W. Va.: Closed, no orders.

Pennsboro Glass Co., Pennsboro, W. Va.: Running slow, part time. No orders.

Reports for other localities in West Virginia and Ohio are that business is very poor. Huntington Glass Co., at Kenova, W. Va., is closed.

On Tuesday of last week I contacted the chief of the United States Employment Service who has offices in the city of Clarksburg. He advised that his unemployed rolls are mounting. More than 2,000 men have been added in the past 30 days. These figures do not include the city of Weston, where hundreds more are idle. In one small town of 2,500 population, where a plant recently closed, 225 men have applied for work.

These startling facts force one to wonder whether now or in future years our Congress would be justified in legalizing reciprocal trade relations with nations in which the living standards, hours and wages and working conditions are so much at variance with the standards we have set up in America.

There now exist four active trade agreements in which the tariff rates on hand-made glassware have been reduced. They are the trade agreement with Sweden, made on August 5, 1935, in which the tariff on glass having a value of \$4 or more in the country of origin was cut from 60 to 30 percent; the United Kingdom trade agreement, effective January 1, 1939, in which table and ornamental glassware, cut or engraved, having a value of \$1 or more in country of origin, was cut from 60 ad valorem to 45 percent; the Mexican trade agreement, effective January 30, 1943, in which the tariff rate was cut from 60 to 30 percent; and the Geneva agreement of September 1947, which authorized the several reciprocal rates now in effect.

We now face the strong possibility that the glassware industry will suffer even more in the proposed Geneva Conference which is to convene in April of this year. Several of the 13 nations who will attend this conference are asking for further concessions which, if granted, will apply not only to the 13 nations attending the proposed conference, but under the "favored nations clause" the

same reduction would automatically apply to the 21 nations that participated in the original Geneva agreement of 1947. This would include all of the major nations now importing hand-made glass, table, and ornamental ware into the United States.

When I appeared before the House as a Member of the Seventy-ninth Congress in 1945, pleading the cause of the hand-glass industry, you were kind enough to protect this industry to the extent that all future reciprocal negotiations affecting imports of hand-made glass from Czechoslovakia were to be predicated on the import duty schedules as contained in the original Hawley-Smoot Act of 1930 and not on the schedules as they appeared in the several Reciprocal Trade Agreements Acts between 1930 and 1945. I sincerely hope that this Congress, in justice to this much harassed industry, will write similar safeguards against the importation of hand-made glassware and decorated-ware articles, not only from Czechoslovakia but from any other nation importing this type of ware that is a participant in any reciprocal agreement. An import quota on a percentage basis is indicated.

POTTERY, TABLEWARE, AND CHINA

Pottery, table, and kitchen articles, used in preparing, serving, and storing food and drink, fall roughly into two groups: Opaque pottery known as earthenware, and translucent pottery known as chinaware. Chinaware is of two types, hotel china and household china. Before the war practically the entire hotel china market in this country was supplied by domestic production, but nearly all the household china was imported. The bulk of the household earthenware consumed in the United States was produced here. Although earthenware imports were substantial, the greater volume of competition with domestic earthenware came from imported chinaware, especially the cheap chinaware imported from Japan. In the 1920's, taking all types and grades together, imports came chiefly from Germany and other central European countries; in the 1930's chiefly from Japan. In both decades, the United Kingdom was the principal source of imports of the expensive grades of household china and earthenware.

Pottery production is technically more efficient—that is, owing to the use of improved mechanical equipment, fewer over-all man-hours are required per unit produced—in the United States than in any other country, although in all countries such efficiency has increased in recent years. So far as costs are concerned, however, the greater efficiency in the United States has continued to be more than offset by the lower wages in the pottery industries in foreign countries.

In 1930 domestic production of household chinaware, porcelain, table, and kitchenware was 160,000 dozen. The estimated 1948 production, based on the first 11 months is 880,000 dozen and for the same year, 1948, estimated imports are 1,768,000 dozen. The domestic production for 1948 has a total value of \$9,800,000, while the foreign value of all

imports is \$6,245,000, which when measured on the American standard of money value would be approximately \$12,500,000. Here we face the shocking fact that the value of the imports, measured in American dollars, exceeds the value of all domestic production.

I am particularly alarmed, and this Congress should be alarmed, by the mounting imports of pottery and chinaware products from both Germany and Japan. The Congress will recall my earlier reference to the activities of the Army in rehabilitating and rebuilding Germany and Japan's pottery plants. This action accounts in a large measure for the sudden tripling and quadrupling of imports in recent months. In 1947 Germany imported 118,468 dozen pieces, worth \$370,967. For the first 11 months of 1948 Germany imported 427,888 dozen, worth \$1,592,708. In 1947 Japan imported 240,994 dozen, worth \$414,303 and in the first 11 months of 1948 her imports had skyrocketed to 915,054 dozen, worth \$1,755,836. As proof of the statement that most of this dangerous competition is coming from the occupied areas of Germany and Japan, let me call attention to the importations from the United Kingdom which were 182,516 dozen in 1947 and 221,000 dozen for 1948.

Total importations of china dinnerware in 1946 amounted to 203,000 dozen pieces, valued at approximately \$1,600,000. In 1947 total imports amounted to 592,000 dozen pieces, valued at \$3,200,000. This is up over 100 percent.

In earthenware tableware 1946 imports amounted to 930,000 dozen pieces, valued at \$3,000,000; and in 1947 1,175,000 dozen pieces, valued at \$4,300,000.

To show the rate of increase during the past year, we find that in the month of October 1947 total imports of china dinnerware amounted to 70,000 dozen and in October 1948 they amounted to 200,000 dozen pieces.

Regarding imports from Japan in comparative periods, we find that during the year 1946 Japan exported to us 67 dozen of decorated china dinnerware. In 1947 she exported to us 214,000 dozen of the same item. In the month of October 1947 Japan exported to us no decorated household earthenware, but in October of 1948 the figure amounted to 28,000 dozen.

Germany's exports to us of china tableware in 1946 were 241 dozen. In 1947 the figure was 131,000 dozen.

In 1937, before there were any restrictions on trade with Japan, she was importing into this country 86 percent of all the dinnerware of all kinds that came to us from all foreign countries. This amounted to close to 40 percent of all the dinnerware that was sold in this country, both domestic and foreign. The prices on the Japanese competing products in our industry were, in many cases, at that time less than one-half of the factory cost for producing comparable articles in American factories. This, you will note, was under the tariff rate of the Smoot-Hawley tariff bill of 1930 and before any reductions were made under the reciprocal trading program. The rates that were then in effect have been substantially decreased on certain types of both china and earth-

ware dinnerware in our trading treaties with Great Britain, Mexico, and Czechoslovakia and under the favored-nations clause Japan would be accorded the same consideration as all countries who were parties to the 1947 Geneva Conference. What future has this industry if Japan is given further advantage under the favored nations clause at Geneva?

I have in my files numerous telegrams and letters from both industry and labor protesting any action that will further endanger their livelihood, and of the estimated 20,000 workers in the pottery industry, based on statistics for 1948, more than 1,000 of these workmen are employed in one of the largest plants located in my home city of Clarksburg.

I submit that when the percentages of imports in any one industry from any one country vary from 300 percent to 400 percent in a space of 2 years, no domestic industry can meet such competition. The protection afforded this industry in the original Hawley-Smoot Tariff Act of 1930—an ad valorem duty of 60 percent—is meager enough and I suggest that this Congress take steps to stabilize rather than to confuse the economic future of these 20,000 workmen. Again an import quota is indicated.

I feel I would be remiss in my duty if I failed to call to the attention of the Congress the growing practice of industrial concerns in this country setting up similar plants abroad for the purpose of getting advantage of lower wage rates and less working restrictions. Many of the finished products of these foreign-owned plants are being imported into the United States and sold in competition with similar American goods and at a lower price. Reciprocal relations on such products should be forbidden regardless of the nation of origin.

In face of the unwarranted action of our War Department in diverting large amounts of its regularly appropriated funds for administration and national defense to the building and rehabilitating of foreign industrial plants, this Congress cannot avoid taking cognizance of the effect on American industries making articles on the reciprocal lists. Neither can the Congress afford to recommend legislation that will legalize trading with the enemy in this cold war between our economy and that of the nations that only last week were collaborating in an effort to destroy our Marshall-plan efforts in western and central Europe.

The avowed course of our Department of State at the approaching Geneva Conference will certainly and only result in the immediate displacement and ultimate unemployment of tens of thousands of America's most highly skilled artisans and craftsmen. Glass, china, kitchenware, clothespins, pottery are but a few of the product classifications slated for possible tariff-rate reductions in Geneva. Truly the matter we here discuss today is a far-reaching and most important one.

The industries I desire to protect are helpless. They have failed to secure State Department assurances that they would not be harmed in the coming

Geneva negotiations. I am hopeful that your interest, courtesy, and attention today is evidence of our intention to try to help them. Their very future is in your care. They ask only justice, not charity. I fear that easier and "cheaper" access to our markets can mean only economic ruin to industry and insecurity to the thousands of workmen that will be affected.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman is in favor of the reciprocal-trade-agreements program, as I understand it. It is my understanding that he is up here to get a little special protection for the pottery interests and the chinaware interests in his territory. The matter of the employees is incidental. Generally the country is not of sufficient importance to the gentleman that he is able to go along with a program as envisaged by his party and as presented by the President of the United States.

Mr. BAILEY. I have not stated I was for the program. I did vote for the previous reciprocal trade treaties program.

Mr. EBERHARTER. The gentleman in the hearings stated he was for the program generally but insofar as his particular area was concerned he wants something special. I therefore placed him in the category of the special pleader for that reason.

Mr. BAILEY. I would like to say also at this time that the first escape clause written in any agreement prior to 1945 was written in a half-hearted manner in the Mexican agreement, the last one drawn prior to the action taken by this Congress in 1945.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, in connection with the consideration of this bill, I desire to call attention to the fact that the importation of foreign oil is becoming a matter of serious concern to Oklahoma and the oil industry. I am advised that foreign oil imports have increased 150 percent in the last year and that this oil is coming in at the rate of 600,000 barrels daily at the present time.

I also am advised that the surface storage of oil has increased 105,000,000 barrels during the last year and has now reached a point where additional storage is not available.

As a result of this situation, the Oklahoma Corporation Commission, in an order issued in January, curtailed the production of oil in Oklahoma by 40,000 barrels daily. Further curtailment will be necessary if the present rate of foreign importations is continued.

This not only works a hardship upon the oil industry but is beginning to threaten a large portion of the tax structure of the State of Oklahoma. For instance, on the basis of the present price of oil, the January curtailment order caused a loss of about \$5,000 a day in Oklahoma tax revenues from its oil production.

Supporting this statement, I have a resolution passed unanimously by the Oklahoma Legislature, which is now in session, and dated January 31. I also have a copy of a resolution passed by the Oklahoma Corporation Commission on January 26 setting out the same facts.

I think it important these facts not only be called to the attention of the department controlling oil imports, but that Congress ought to take them into consideration with a view of limiting such imports to a point where they do not upset or harm one of America's most vital and important industries, and one without which we cannot have national defense.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I have been waiting since noontime to get in my 2 cents' worth, so I would like to make a few remarks at this time.

I am one of that group that was referred to several times today as "in favor of this bill but," and it has been insinuated that those members represent special interest. If you call representing the people with whom you were born and raised representing special interests, I do represent them. It is my duty and my responsibility as their Congressman to present their views regardless of party affiliation or the walk of life they may represent.

In the Second Congressional District of West Virginia which I represent are located several of the finest hand-made glass industries to be found in the United States. I, as well as many of my constituents believe that the present reciprocal trade bill will seriously impair and endanger their means of livelihood unless their situation is taken into consideration. Not for a moment would I oppose the assumption of world economic leadership by the United States; economic isolationism is dead, and intelligent assistance to our less fortunate sister democracies is in line with our own self-interest. Wisely administered foreign cooperation carries with it a commitment to purchase reasonable quantities of foreign merchandise. Trade is a two-way street and we cannot expect continuously to sell goods and to lend capital abroad unless we are prepared some day to accept payment in the form of people and services.

In my mind and my view that much is elementary economics and plain common sense.

Fear alone is not adequate justification for remedial action. When we fail to recognize those rights and to protect them we might as well say we are behind an iron curtain of our own as far as the rights of the people are concerned; and I am speaking primarily of Czechoslovakia. Continued trade with Czechoslovakia which is located behind the iron curtain now, as we call it, and that primarily is one of the factors that is endangering the hand-made glass industry in my district. With men and women now only on 60 percent of their time I think something should be done. At least I think the treaty with Czechoslovakia should be canceled.

Looked at from such an over-all point of view the problem seems simple. From such a distance imports are a vague concept and no difficulties appear.

But the problem becomes more complicated when we get closer to it. This is a big country which we live in and the interests of one section are quite different from the interests of other sections. Some of our industries are healthy and prosperous and quite able to take care of themselves in world markets without fear of, or favor from, Government. Others are less favorably situated and every so often find themselves imperiled by well-intentioned, but dangerous, acts on the part of Government officials.

Some of us, like myself, who happen to come from districts in which numbers of producers are not able to withstand unrestricted foreign competition find it more difficult than some of our colleagues who represent districts in which there is no such threat from competitive imports.

It so happens that in my district, in West Virginia, a leading industry is the making of hand-blown glassware, tableware and artware. In terms of the economy of the country as a whole this is a small and relatively high-cost, industry. To my constituents, however, its survival and prosperity means their daily existence.

Many years ago the skill of glass blowing was brought to this country from Bohemia. The skill has survived down to this day, notwithstanding severe and growing competition. The lower-priced products find it difficult to compete against the domestically machine-made glassware. The more expensive, decorated ware competes with imports from Sweden and Czechoslovakia.

The Department of State has included the high-priced ware for bargaining with Sweden next April. Such glassware is valued at \$8 each abroad and is now dutiable at 30 percent. This is the glassware that retails for \$25 or so per piece and represents only a small part of the total output. If it were all that we had to worry about I would not feel as alarmed as I do today.

What troubles me most is the action that has already been taken—at Geneva in 1947—when our delegates signed the so-called general agreement on tariffs and trade. For there the rate was reduced from 60 percent ad valorem to 50 cents per piece with a proviso that the rate is to be not less than 30 percent or more than 50 percent. At present prices the new rate is equal to about 35 percent.

American labor is high-priced labor. For that let us be thankful since it means that, by and large, we are more productive than other lands. It means that we get more real income for our work. I would not advocate that we do anything that would lower the wages of our glassworkers, who receive \$1.42 per hour compared to those in Czechoslovakia, who receive about 20 cents per hour. In part, at least, the prevailing high wage rates in the United States are accounted for by large-scale production to satisfy large-scale markets, here and abroad.

We should not be dealing at all with any country that is dominated by Russia, inasmuch as they are not cooperating

with us and the money does not go to their working people but to build up the Russian military machine, which is certainly poor policy at the expense of our own people.

But what troubles the workers in my district is whether adequate care is being taken by the administration to make sure that in the cutting of tariff duties they will not be sacrificed unwittingly. The industries in my district have already experienced serious damage from the importation of Czechoslovakian glassware. They are now operating at about 60 percent of capacity. In my opinion this is due to the fact that the duty was cut on this product in Geneva in 1947.

Fear alone is not adequate justification for remedial action. When we fail to recognize those rights and to protect them we might as well say we are behind an iron curtain of our own as far as the rights of the people are concerned.

The national interest, of course, is all-important. But, gentlemen, we are still a democracy, and minorities, thank God, still have rights.

Mr. CURTIS. Mr. Chairman, due to an error, the supplemental statement of Mr. James G. Shennan, president of the Elgin National Watch Co., did not get printed in the committee hearings. For that reason, I would like to extend it into the RECORD at this point.

SUPPLEMENTAL STATEMENT OF THE AMERICAN JEWELRY WATCH MANUFACTURING INDUSTRY ON THE BILL (H. R. 1211) TO EXTEND THE TRADE AGREEMENTS ACT

This statement supplements the testimony of Mr. James G. Shennan, president of the Elgin National Watch Co., on behalf of the American manufacturers of jeweled watches—Elgin National Watch Co., Hamilton Watch Co., and the trustees of Waltham Watch Company—before the Ways and Means Committee of the United States House of Representatives on January 31, 1949, during the hearings on H. R. 1211 to extend the Trade Agreements Act.

The statement is filed to supply certain information not available to the witness at the time the testimony was given (transcript, p. 1083), and to correct certain inaccuracies in the brief filed, and the testimony given by the witnesses who appeared on behalf of the American Watch Assemblers' Association.

Mr. Shennan was asked to supply information as to the profits of the Elgin and Hamilton companies. The witness supplied the information for his own company, but did not have the comparable information for the Hamilton Co. The information is now available for both of these companies and the Waltham Co., combined, and is as follows:

Year	Combined sales	Combined net profit	Percent of sales
1940.....	\$25,857,000	\$2,724,000	10.53
1941.....	33,413,000	3,060,000	9.16
1946.....	39,902,000	1,950,000	4.89
1947.....	49,131,000	1,830,000	3.72

Mr. Shennan was also asked (transcript, pp. 1089-90) if the representatives of the United States at the forthcoming trade agreement negotiations in Geneva, Switzerland, next April could not "open up this matter of proper protection (tariff), including the inclusion of an escape clause for the watch agreement." In addition to the answer given by the witness at the hearing, it is desired to point out that Switzerland has not, as yet, become a party to the general

agreement on tariffs and trade, and is not to be a party to the negotiations in April. Therefore, the Swiss trade agreement, and watches, will not be under review at that time.

The memorandum filed with the committee by the American Watch Assemblers' Association bases most of its argument on the assumption that the American jeweled watch manufacturers desire a quota. Actually, as stated to the committee by Mr. Shennan, the American manufacturers do not desire a quota, they desire only tariff rates which will afford them equality at the border. If this was granted to them, there would be absolutely no difference in the related economic activity which flows from the sale of watches in this country. All of that business, which the importers claim to create, would continue to remain here since the American-made movements require the same labor, the same material, the same services, as imported movements, to complete their manufacture and distribution. The real difference, and the one which is vital to the national defense, is that more facilities for the manufacture of movements, and more people trained in the skills required to make them, would be created and available in the event of another emergency; and it is timepiece movement manufacturing capacity which is essential to the national defense. Even the representatives of the assemblers' association who testified at the hearings conceded that neither they, nor any other industry in this country, could manufacture watches, and by watches they meant time measuring mechanisms.

In this connection it is significant to note that the representative of the Bulova Watch Co., who testified on behalf of the importers, stated that it took from 8 to 10 years before Bulova was able to get its plant at Woodside, Long Island, into production (transcript, p. 1344), and that it took 20 years to get it on a paying basis (transcript, p. 1346). He also stated that producing a watch is far different from producing other things (transcript, p. 1346). The other witness who testified on behalf of the importers stated that it was the intention of his company to manufacture movements in this country, and that they began setting up a pilot plant at Long Island a year ago which is ultimately to be moved to Cincinnati, where they now case their imported movements. But here again the difficulty of getting into movement manufacture is demonstrated by the fact that he also stated that they had not "as yet," after a year's time, made any movements in this country, not even in a pilot-plant operation, let alone on a production basis. This time element is the thing that is so vital to our national defense, and is the thing which gives us on whom the defense agencies are relying in the event of another war so much concern.

The spokesmen for the importers tried to minimize the significance of movement manufacturing in this country by asserting that the importers had also done a considerable amount of defense work during the last war. But in addition to conceding that they made no time measuring movements, only one item was specifically mentioned and that was "an electrical indication measuring instrument" (transcript, p. 1440). It was stated that instruments for ships, planes, and tanks were made by the importers but, aside from the above, no specification of them was given. A further statement was made to the effect that there was an adequate labor pool for defense work in the "watchmakers" being graduated from the various trade schools which could be readily converted to watch-movement manufacture. This completely ignores the fact that the manufacturing facilities are not available even if the statement were correct, and the statement itself is not correct. The training given to students in the watchmaking schools is to prepare them for the work done in the jewelry

stores which maintain watch-repair departments. There is no training given in this country to prepare men in watch engineering, watch designing, watch machine building, watch tool and die making, watch manufacturing supervision, which are the critical skills.

The importance of American movement manufacturing facilities was also questioned by indicating that the American manufacturers of movements were all, to some extent, dependent on Swiss parts. With the single exception of jewel bearings the statement is simply not correct, and it should be remembered, jewel bearings were made by this industry during the last war. It is, therefore, not correct to say that the American manufacturers are in any sense dependent on the Swiss.

There was a sharp conflict with respect to the differential in the cost of making movements here, and importing Swiss-made movements. The committee was fortunate to have before it a representative of the Bulova Watch Co. who, although appearing on behalf of the assemblers' association, is the treasurer of the one importer who also manufactures movements in this country. However, this witness would not indicate, even on a percentage basis, the difference in movement manufacturing costs between their American and Swiss plants and, as a matter of fact, claimed not to know, although he indicated, from a document on Swiss labor rates to which he made reference, that the top figure in Switzerland was about 60 cents an hour (transcript, p. 1343). If this is true, it more than supports the American industry's statement that the labor rate difference is about 2½ to 1. Nor was the testimony of the other witness for the importer much more specific on either of these points. Not having yet manufactured any movements in this country he was unable to say what his American costs would be, and on labor rates he indicated a 50-60 cents an hour differential (transcript, p. 1443). The schedule of wage rates in the Swiss watch industry is a matter of published information, and is available to anyone. This same witness readily conceded the importance of American movement manufacturing companies to the national defense (transcript, p. 1440). We call attention to this testimony to highlight the necessity of determining the actual facts, particularly in view of the national defense importance of the American manufacturers, which is the reason we feel that this committee itself, through a subcommittee, should study the situation. We stand ready to submit audited production cost figures in confidence to such a subcommittee, as well as our labor rates.

In this connection, however, we wish to definitely clarify the assertion that Elgin's costs cannot be as high as was indicated by witnesses for the American manufacturers, because it sells watches at as low a price as \$12 net (transcript, p. 1442). The reference was to a watch which retails at \$29.75 and which the Elgin company actually sells for \$15. It is a 15-jewel watch, whereas the testimony being commented upon related to 17 jewel, higher quality watches. Elgin has only two models at this price, one man's and one lady's, and is selling them at a low margin of profit in order to stay in the low-price category. This is the lowest-priced watch in the Elgin line.

One further comment on the testimony on behalf of the importers would appear to be in order. They blame the present financial difficulties of the Waltham Watch Co. entirely on bad past management. This has been the stock answer of the importers to the fact that there are so few remaining movement manufacturers in this country, and has been asserted time and again before this committee. Obviously, no one reason is the whole answer. Nevertheless, it is apparent to those of us who have actually

faced the importer's competitive advantage resulting from lower costs, that this factor is an important reason for the Waltham situation. Some one American company is always going to be the marginal producer, and the status of the industry now is such, from the national-defense considerations, that we cannot afford to lose the facilities of a single manufacturer.

May we reiterate that the American manufacturers of jeweled-watch movements are not suggesting any quota restrictions? We feel confident that with an equalization of cost factors this industry can successfully compete with the importers, which means that it can grow in an expanding economy. It is essential to the national defense that it do this, because it is presently not of sufficient size to meet the minimum requirements of a full-scale emergency. In view of its importance to the national defense, its present size and the competitive situation, and in view of the failure of the industry's efforts over the last 5 years to obtain relief from the agencies administering the trade-agreements program, it seems to us that the situation must be given study on the national policy level, and that this committee of the Congress is the only agency of the Government that is in a position to carefully investigate all phases of the problem.

This is not simply a matter of whether one or two or more business concerns in this country shall remain commercially vigorous. It is that consideration, plus the building of a highly essential defense facility. This is the aspect of the problem which we emphasized in the statement we made at the hearings. It is the aspect of the problem which we feel not only justifies, but necessitates, an investigation of the matter by a congressional committee. It is the reason why we have suggested a special subcommittee of the Ways and Means Committee to give it attention.

Respectfully submitted on behalf of:

ELGIN NATIONAL WATCH CO.,
HAMILTON WATCH CO.,
WALTHAM WATCH CO.,

By JAMES G. SHENNAN,

President Elgin National Watch Co.
FEBRUARY 3, 1949.

Mr. DOUGHTON. Mr. Chairman, there appear to be no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1949."

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, had come to no resolution thereon.

MANUFACTURE OF COTTON TEXTILES IN SOUTH CAROLINA

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. BRYSON]?

There was no objection.

Mr. BRYSON. Mr. Speaker, South Carolina, my State, has long since been recognized as the leader of the Nation in the manufacture of cotton textiles. I call your attention to the following newspaper article appearing in the Greenville News on February 7, 1949, from which you will observe South Carolina is also the leader in the consumption and manufacture of other fibers in the textile industry.

In South Carolina we manufacture every kind of textiles—from the most delicate and beautiful patterns of fine dress goods used to make women's garments to heavy woolen materials used for the manufacture of men's suits as well as duck and tarpaulin of unparalleled strength and durability. Time will not permit me to enumerate the thousands of types of textiles we manufacture.

STATE'S SPINDLES TOP NATION IN CONSUMING OTHER FIBERS—DOMINANT POSITION AS COTTON TEXTILE STATE INCREASED

COLUMBIA, February 6.—South Carolina is the Nation's leader in the consumption of fibers other than cotton on cotton-system spindles, Director H. W. Bishop, of the State research, planning, and development board, revealed today.

"The fact that the State's cotton-system spindles and its textile employees have sufficient versatility to produce other yarns is a highly important factor in diversifying textiles," he noted, and added:

"Management has been able to modernize and improve equipment in order to produce yarns without any loss in training new employees.

"Federal Department of Commerce figures for December showed that South Carolina had 498,000 of the entire country's 1,267,000 cotton-system spindles consuming materials other than cotton.

"The State had 39.3 percent of the Nation's total and 9 percent of all the cotton-system spindles in the State were consuming other fibers.

"The high productivity of South Carolina textile employees further is demonstrated by the fact that the State had 42.2 percent of the total spindle-hours for 1948 of cotton-system spindles working on other fibers."

Bishop said the Federal figure showed North Carolina ranked second with 319,000 spindles, followed by the combined New England States with 267,000 and Georgia with 91,000.

"A recent compilation of Federal figures showed South Carolina increased its dominant position as the No. 1 cotton-textile State with 28.39 percent of the Nation's active spindle-hours in 1948," Bishop recalled.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from the Department of Agriculture.

Mr. SANBORN (at the request of Mr. REED of New York) asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JENSEN (at the request of Mr. REED of New York) was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. KEATING (at the request of Mr. REED of New York) was given permission to extend his remarks in the RECORD in two instances and include extraneous matter in each.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. McCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Times.

Mr. ADDONIZIO (at the request of Mr. PRIEST) was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. BOYKIN (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD in three instances and include a statement and two newspaper articles.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix of the RECORD.

SPECIAL ORDER VACATED

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to cancel the special order that I had for today, which has been taken care of through an extension of remarks.

The SPEAKER pro tempore. If there objection to the request of the gentleman from Wisconsin?

There was objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SECREST (at the request of Mr. YOUNG), on account of burial in Ohio of his brother, who lost his life in action overseas in the war and whose body was transported home for final burial.

To Mr. TEAGUE, for 2 days, on account of attending a funeral in Texas.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD on the subject the Reciprocal Trade Act.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

AMERICAN JOINT COMMISSION TO ASSIST IN THE UNIFICATION OF IRELAND

Mr. LANE. Mr. Speaker, during the last Congress I introduced a resolution to provide for the creation of an American Joint Commission to assist in the unification of Ireland. Because of the pressure of other problems it was not possible for the House Committee on Foreign Affairs to give consideration to my resolution. I have therefore again introduced this resolution, which is House Joint Resolution 59 and is now before the House committee, where I hope that hearings will be given and careful consideration devoted to this vital issue, which today clouds the horizon of good will between the peoples of Ireland and Great Britain.

Under the terms of House Joint Resolution 59, the President would be authorized to appoint a commission of 10 members, to be known as the American Joint Commission. This Commission would be authorized to consult with the British Government and its representatives to consider and to recommend an immediate and final settlement of the Irish question leading to the abolition of the border between the north and south of Ireland, and to sign such settlement in behalf of the people of the United States. By the establishment of such a commission, this country would be offering its services to act as a mediator between the Irish and the British in an effort to terminate the arbitrary and useless border which has been imposed upon the Irish countryside and which has served to divide Ireland into two separate countries, when in fact it is and can be only one nation, and served likewise to divide the Irish people and engender bitterness between the Irish and the British nations.

Throughout all Ireland today the demand for the removal of the northern border is constantly growing stronger and stronger. This sentiment in behalf of the unification of all Ireland cannot be ignored. The restoration of the six counties of the north to the bosom of the Irish nation cannot be impeded by propaganda nor prevented by edicts emanating from Sir Basil Brooke or his puppet Government of Northern Ireland. Not even the holding of special elections on February 10 in northern Ireland will in any way slow the demand of the Irish people that their entire country be united once again as a free and independent nation.

The elections in northern Ireland only serve to call the attention of the world to the nefarious scheming by which the Government in the six counties of the north is maintained. The sentiment of the people in the six counties is divided between those who desire union with Britain and those who desire the national unity of all Ireland. By an elaborate system of gerrymandering the boundaries of parliamentary districts, voters favoring British union are given a majority of the seats in the Stormont Parliament. Districts favoring union with all Ireland, in many cases, contain twice as many voters as do adjoining districts which favor British union. In the southwestern corner of northern Ireland, for example, the county of Fermanagh is divided into three parliamentary districts, two of which are partitionist in sentiment and the other antipartitionist. The county as a whole opposes partition by over 5,000 votes, but these votes are all enclosed within one heavily populated district, which votes antipartition by 9,000 votes. The other 2 districts scrape through with about 1,200 and 800 partitionist majorities. The result is that in elections one-half the population of the county elects two British-union candidates, while the other half of the population can only elect one Irish-nationalist member. Thus, here, as elsewhere in the northern six counties, two unionist votes are equal to one Nationalist vote.

In the current elections, hastily called by Sir Basil Brooke in an effort to silence

the growing popular demand for unification of Ireland, not only is this system of gerrymandering of districts being employed, but also a 3-year register of voters will be in effect. As a result, those voters who have come of age during the past 3 years will be denied an opportunity to vote, as well as many others, who by change of residence or similar reason, have had their names dropped from the old register. Within 6 weeks after the holding of this election, the new register will become effective, and it is to avoid the possibility that the new register might affect the results in the old gerrymandered districts that this election is being rushed through. Evidently it would not require any very large change of residence on the part of the voters within the three parliamentary districts of Fermanagh County to completely change the results of an election there. The same situation holds forth in Derry City, in Tyrone County and elsewhere.

Throughout Irish history heroic patriots have frequently chosen death or imprisonment rather than submit to loss of their liberty or to foreign domination of their land. That spirit is not dead within the Irish. It never will die. The undemocratic processes of the present elections in Northern Ireland could well become the occasion to enkindle the flame of ardent patriotism within so many Irish hearts as to light the torch of riot and rebellion against the domination of the present government there and against the British subsidization of that government.

It is because this situation exists in Ireland today and will continue to exist as a threat to world peace until the only Irish border is the entire coastline along the sea that I have offered my resolution before this body. The democratic nations of the West cannot long tolerate the existence in their midst of any nation or part of a nation, however small, subject to the outside domination and control of a foreign country. The right of Ireland to freedom and self-determination is just as vital on the international scene as are the rights of Indonesia, of Israel or any other nation. It is in an effort to protect those rights and to eliminate the Irish question at least, that I have offered my resolution.

This Congress is in a position to take the first step in bringing about a new era of friendship and good will between the British and the Irish peoples. With each step won by the Irish in their march toward freedom, the ancient antagonisms and animosities toward Britain have been lessened and to a great extent eliminated. The northern border is the last vital barrier to a complete and full understanding between these two great races. By the passage of my resolution, we will make it possible for Great Britain to enter into negotiations for the elimination of this border in a dignified and gracious manner. The voluntary action of Great Britain, which the passage of my resolution will instigate, will tremendously strengthen the good will between Ireland and Great Britain. On the other hand, should this situation be much longer ignored, then we can anticipate that efforts will be made to force the elimination of the

partition of Ireland, and as always, the use of force will leave in its wake a feeling of bitterness and ill-will. So in the interest of international good will and the peaceful arbitration of disputes, I urge the prompt consideration of my resolution both by the Committee of Foreign Affairs as well as by the House itself.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 49 minutes p. m.), the House adjourned until tomorrow, Wednesday, February 9, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

186. A letter from the Under Secretary, Department of Agriculture, transmitting a report on the cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease; to the Committee on Agriculture.

187. A letter from the Chairman, National Labor Relations Board, transmitting the Thirteenth Annual Report of the National Labor Relations Board, for the year ended June 30, 1948; to the Committee on Education and Labor.

188. A letter from the Secretary of Defense, transmitting a draft of a proposed bill to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a uniform code of military justice; to the Committee on Armed Services.

189. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to consolidate the Parker Dam power project and the Davis Dam project; to the Committee on Public Lands.

190. A letter from the Secretary, Department of State, transmitting a draft of a proposed bill to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provisions with respect to the participation of the United States in such organization; to the Committee on Foreign Affairs.

191. A letter from the Secretary of State, transmitting a draft of a proposed bill to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system in view of the increased cost of living; to the Committee on Foreign Affairs.

192. A communication from the President of the United States, transmitting revised estimates of appropriation for the fiscal year 1950 involving a decrease of \$1,129,440 for the Department of State (H. Doc. No. 60); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 54. A bill to retrocede to the State of New Mexico exclusive jurisdiction held by the United States over lands within the boundaries of the Los Alamos project of the United States Atomic Energy Commis-

sion; without amendment (Rept. No. 31). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 164. A bill authorizing the Secretary of the Interior to convey certain lands to the Churntown Elementary School District, California; without amendment (Rept. No. 32). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 1401. A bill relating to the disposition of certain recreational demonstration project lands by the State of Michigan to the Mount Hope Cemetery Association of Waterloo, Mich.; without amendment (Rept. No. 33). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 1998. A bill to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein; without amendment (Rept. No. 34). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 1997. A bill to authorize the survey of a proposed Mississippi River parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; with an amendment (Rept. No. 35). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRYSON:

H. R. 2477. A bill to provide for the adjustment of royalties and like charges for the use of inventions for the benefit of or by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 2478. A bill to amend the act providing for the appointment of court reporters; to the Committee on the Judiciary.

By Mr. COLMER:

H. R. 2479. A bill to provide automobiles for veterans of World War I who are entitled to compensation for the loss of use of one or both legs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DEGRAFFENRIED:

H. R. 2480. A bill to authorize the Administrator of Veterans' Affairs to pay service charges for cashing veterans' checks; to the Committee on Veterans' Affairs.

By Mr. FORAND:

H. R. 2481. A bill to terminate certain war excise tax rates, and for other purposes; to the Committee on Ways and Means.

By Mr. FORD:

H. R. 2482. A bill to amend title II of the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

By Mr. HAGEN:

H. R. 2483. A bill to provide retirement annuities for retired fourth-class postmasters with 30 years of service; to the Committee on Post Office and Civil Service.

By Mr. HORAN:

H. R. 2484. A bill to authorize grants to Ferry and Okanogan Counties, Wash., in lieu of taxes on certain lands restored to tribal ownership; to the Committee on Public Lands.

By Mr. JACOBS:

H. R. 2485. A bill to authorize the attendance of the United States Marine Band at the Eighty-third and Final National Encampment of the Grand Army of the Republic to be held in Indianapolis, Ind., August 28 to

September 1, 1949; to the Committee on Armed Services.

By Mr. JAVITS:

H. R. 2486. A bill to create a medal to be known as the Air Force Reserve Medal; to the Committee on Armed Services.

H. R. 2487. A bill to create a medal to be known as the Army Reserve Medal; to the Committee on Armed Services.

By Mr. JENSEN:

H. R. 2488. A bill to direct the Secretary of Agriculture to announce the parity price of milk, and to direct the Secretary of Agriculture to immediately announce the support price of milk; to the Committee on Agriculture.

By Mr. LANE:

H. R. 2489. A bill to assist States in collecting sales and use taxes on cigarettes; to the Committee on Ways and Means.

By Mr. LIND:

H. R. 2490. A bill to amend subparagraphs (k) and (l) of paragraph II, part 1, Veterans Regulation No. 1 (a), as amended, to provide increased compensation for certain specific disabilities; to the Committee on Veterans' Affairs.

By Mr. MCCARTHY:

H. R. 2491. A bill to provide salary increases for each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government; to the Committee on Post Office and Civil Service.

H. R. 2492. A bill to provide for salary increases for employees of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. MCKINNON:

H. R. 2493. A bill to provide equal treatment to disabled enlisted men of the Navy, Marine Corps, and Coast Guard on parity with existing law pertaining to disabled enlisted men of the Army; to the Committee on Armed Services.

By Mr. MARSHALL:

H. R. 2494. A bill to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the national forests and all public lands withdrawn for power development, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of California:

H. R. 2495. A bill to provide salary increases for each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government; to the Committee on Post Office and Civil Service.

H. R. 2496. A bill to provide for salary increases for employees of the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of Michigan:

H. R. 2497. A bill to provide veterans' hospital construction at Detroit and Grand Rapids, Mich., and to authorize appropriations therefor; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H. R. 2498. A bill to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice; to the Committee on Armed Services.

By Mr. WILLIS:

H. R. 2499. A bill to provide for a preliminary examination and survey of a proposed extension of the New Iberia Commercial Canal; to the Committee on Public Works.

By Mr. WILSON of Oklahoma:

H. R. 2500. A bill to amend section 9 of the Farmers Home Administration Act of 1946; to the Committee on Agriculture.

By Mr. BLAND:

H. R. 2501. A bill authorizing and directing the United States Fish and Wildlife Service of the Department of the Interior to undertake a continuing study of the shad, alosa

sapidissima, of the Atlantic coast with respect to the biology, propagation, and abundance of such species to the end that such Service may recommend to the several States of the Atlantic coast through the Atlantic States Marine Fisheries Commission appropriate measures for arresting the decline of this valuable food fish and for increasing the abundance and promoting the wisest utilization thereof; to the Committee on Merchant Marine and Fisheries.

H. R. 2502. A bill appropriating to the United States Fish and Wildlife Service the sum of \$75,000 for a continuing study of shad, alosa sapidissima, of the Atlantic coast, with respect to the biology, propagation, and abundance of such species to the end that such Service may recommend to the several States of the Atlantic coast through the Atlantic States Marine Fisheries Commission appropriate measures for arresting the decline of this valuable food fish and for increasing the abundance and promoting the wisest utilization thereof; to the Committee on Appropriations.

By Mr. LANE (by request):

H. R. 2503. A bill to limit working hours of Government employees; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 2504. A bill to amend and supplement the act of June 7, 1924 (43 Stat. 653); to the Committee on Agriculture.

By Mr. MARCANTONIO:

H. R. 2505. A bill to provide for home rule and reorganization in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MILLER of Maryland:

H. R. 2506. A bill to authorize the purchase of a new post-office site at Snow Hill, Md.; to the Committee on Public Works.

H. R. 2507. A bill to authorize the purchase of a new post-office site at Princess Anne, Md.; to the Committee on Public Works.

H. R. 2508. A bill to authorize the purchase of a new post-office site at Federalsburg, Md.; to the Committee on Public Works.

H. R. 2509. A bill to authorize the purchase of a new post-office site at Berlin, Md.; to the Committee on Public Works.

By Mr. PICKETT (by request):

H. R. 2510. A bill to provide retirement annuities for certain former rural letter carriers; to the Committee on Post Office and Civil Service.

By Mr. RANKIN:

H. R. 2511. A bill to restore the rights of vessels engaged in the coastwise trade of the United States to pass through the Panama Canal without payment of toll; to the Committee on Merchant Marine and Fisheries.

By Mr. RANKIN (by request):

H. R. 2512. A bill to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. R. 2513. A bill to amend subdivisions d and e of section 58 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. SANBORN:

H. R. 2514. A bill to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes; to the Committee on Agriculture.

By Mr. WELCH of California:

H. R. 2515. A bill authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; to the Committee on Armed Services.

By Mrs. DOUGLAS:

H. R. 2516. A bill to amend the Housing Act of 1948; to the Committee on Banking and Currency.

By Mr. ROGERS of Florida:

H. R. 2517. A bill directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.; to the Committee on Public Lands.

By Mr. LEMKE:

H. R. 2518. A bill to amend the World War Adjusted Compensation Act to provide adjusted compensation for provisional, probationary, and temporary officers; to the Committee on Ways and Means.

H. R. 2519. A bill relating to the use and occupation of certain lands acquired by the United States in connection with flood-control projects; to the Committee on Public Works.

By Mr. NORRELL:

H. R. 2520. A bill to amend subsection 602 (j) of the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H. R. 2521. A bill to promote the general welfare of the people of the United States by establishing a publicly supported labor extension program for wage and salary earners, and for other purposes; to the Committee on Education and Labor.

H. R. 2522. A bill to increase the compensation of all postal and classified employees of the Federal Government; to the Committee on Post Office and Civil Service.

H. R. 2523. A bill to provide relief for veterans erroneously required to reimburse the United States for overpayment on their adjusted-service certificates; to the Committee on the Judiciary.

By Mr. SMATHERS:

H. R. 2524. A bill to provide a program of assistance for the expansion and construction of dental colleges in the several States; to the Committee on Education and Labor.

H. R. 2525. A bill to provide for dental education and assistance; to the Committee on Education and Labor.

By Mr. FORD:

H. R. 2526. A bill to provide Federal hospital construction at Detroit and Grand Rapids, Mich., and to authorize appropriations therefor; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H. R. 2529. A bill to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments; to the Committee on the Judiciary.

By Mr. WERDEL:

H. J. Res. 153. Joint resolution granting the consent of Congress to joinder of the United States in suit in the United States Supreme Court for adjudication of claims to waters of the Colorado River system; to the Committee on the Judiciary.

By Mr. GORSKI of Illinois:

H. J. Res. 154. Joint resolution to provide for the extension of patents whenever the use of the same has been prevented by war or other causes and providing for the extension of patents for persons who serve in the military or naval forces of the United States during the war; to the Committee on the Judiciary.

By Mr. RODINO:

H. Con. Res. 27. Concurrent resolution to express the sense of Congress that the issues raised by the action of the Government of Hungary in trying and sentencing Josef Cardinal Mindszenty should be referred to the United Nations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KEATING:

H. Con. Res. 28. Concurrent resolution to protest the arrest and imprisonment of Archbishop Stepinatz of Yugoslavia and Cardinal Mindszenty of Hungary; to the Committee on Foreign Affairs.

By Mr. SOMERS:

H. Res. 85. Resolution to sever diplomatic relations with the Government of Hungary; to the Committee on Foreign Affairs.

By Mr. COLE of Kansas:

H. Res. 86. Resolution creating a select committee to conduct an investigation and study of the Missouri Basin; to the Committee on Rules.

By Mr. GREEN:

H. Res. 87. Resolution protesting the prosecuting of Cardinal Mindszenty by the Hungarian Government; to the Committee on Foreign Affairs.

By Mr. DAWSON:

H. Res. 88. Resolution providing for the expenses of conducting the studies and investigations authorized by rule XI (h) (1) incurred by the Committee on Expenditures in the Executive Departments; to the Committee on House Administration.

By Mr. WHITTINGTON:

H. Res. 89. Resolution requesting the Board of Engineers for Rivers and Harbors to prepare a revised edition of pages 1 to 369 of House Document No. 106, Seventy-sixth Congress; to the Committee on Public Works.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution 4, asking not to federalize the practice of medicine; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States for the consideration of Assembly Joint Resolutions 2, 5, 6, 8, 10, 13, and 15 adopted by the California Legislature during January 1949; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States for the consideration of Senate Joint Resolutions 5, 6, 8, 11, 13, 14, 15, and 17 adopted by the Legislature of the State of California; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relating to the Yellowstone Dam in Big Horn County in southern Montana and requesting that funds be made available immediately for its construction; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States relative to Legislative Resolution 9, requesting that the Commissioner of Public Roads in charge of the Federal-aid road fund increase the allotments to Nebraska for the purpose of improving and maintaining roads in Thurston County; to the Committee on Public Works.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States relative to their House Joint Resolution 2, ratifying a proposed amendment to the Constitution of the United States relating to the terms of the office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to consider their Enrolled Joint Memorial 1, asking for the passage of legislation appropriating money to complete the building of the Eden Valley irrigation project; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to enact legislation to maintain a floor of not less than 100 percent of parity on all basic farm crops; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States with reference to renaming of various dams in the State of Idaho; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 2527. A bill for the relief of Mr. and Mrs. Forrest J. McDermott; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 2528. A bill for the relief of Costas Zavou; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 2530. A bill for the relief of James R. Frazer; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 2531. A bill for the relief of Eliza Friedrych; to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

H. R. 2532. A bill authorizing the naturalization of Peter Yoo Lo Chen; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 2533. A bill for the relief of Commander Edward White Rawlins, United States Navy; to the Committee on Armed Services.

By Mr. WILLIS:

H. R. 2534. A bill for the relief of Gabriel Gary; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 2535. A bill for the relief of Samuel J. D. Marshall; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

50. By the SPEAKER: Petition of shop 91, Local 19, UOPWA, CIO, petitioning consideration of their resolution with reference to repealing the Taft-Hartley Act immediately and restoring the Wagner Act; to the Committee on Education and Labor.

51. By Mr. LECOMPTÉ: Petition of citizens of Harper, Iowa, urging the inclusion in the Federal aid to education bill of health and welfare services for non-public-school children; to the Committee on Education and Labor.

52. By the SPEAKER: Petition of William Heller, president, Air Line Pilots Association of the Philippines, petitioning consideration of their resolution with reference to requesting Uncle Sam's stand in the case of three United States civilian citizen pilots being held in prison in the Indonesian area; to the Committee on Foreign Affairs.

53. Also, petition of James W. Mockler, acting city clerk, city of Buffalo, petitioning consideration of his resolution with reference to asking the Congress of the United States to pass the General Pulaski's Memorial Day resolution; to the Committee on the Judiciary.

54. By Mr. HART: Memorial proposed by Mayor Frank H. Eggers, of Jersey City, and adopted by the board of commissioners of that city, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski Memorial Day resolution pending in Congress at present time; to the Committee on the Judiciary.

55. Also, petition of members of Capt. Clinton E. Flisk Post, No. 132, Veterans of Foreign Wars, Jersey City, N. J., urging that the Members of Congress enact legislation to prevent the displaced persons of Europe from coming to this country to make their homes for a period of not less than 10 years; to the Committee on the Judiciary.